99TH CONGRESS
2d Session

HOUSE OF REPRESENTATIVES

REPORT
99-510

URGENT SUPPLEMENTAL APPROPRIATIONS BILL, 1986

MARCH 25, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. WHITTEN, from the Committee on Appropriations, submitted the following

REPORT

together with

ADDITIONAL VIEWS

[To accompany H.R. 4515]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making urgent supplemental appropriations for the fiscal year ending September 30, 1986.

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SUMMARY OF COMMITTEE RECOMMENDATIONS

The Committee is recommending a total of $1,705,734,000 in new budget authority, $1,027,431,000 in transfer authority, and $5,341,896,825 in disapprovals of deferrals. When all of these actions are considered in addition to the other previously provided FY 1986 appropriations actions, the Committee remains $230 million below its 302(a) allocation in discretionary budget authority under the FY 1986 Budget Resolution. These funds are provided primarily in response to emergency disaster needs, urgent and mandatory program requirements, and efforts to combat terrorism. In addition, a number of deferrals are disapproved as well as rescinding previously appropriated funds.

Details concerning particular items can be found in the budget requests, various documents, and in the printed hearings. Specific Committee recommendations are explained in the various chapters of this report, which are arranged in the order of the bill.

The specific budget estimates on which this bill is based are contained in the following House Documents: *Budget Estimates.* FY 1987 Budget, February 4, 1986 (H. Doc. 99-144); Estimate No. 1, February 4, 1986 (H. Doc. 99-159); Estimate No. 2, March 5, 1986 (H. Doc. 99-174); Estimate No. 3, March 4, 1986 (H. Doc. 99-172); Estimate No. 4, March 4, 1986 (H. Doc. 99-171); Estimate No. 5, March 18, 1986 (H. Doc. 99-184). *Rescissions and Deferrals.* 3rd Message, February 5, 1986 (H. Doc. 99-161); 4th Message, March 12, 1986 (H. Doc. 99-180); 5th Message, March 20, 1986 (H. Doc. 99-186).

Selected major highlights

Flood Control and Coastal Emergencies	$25,000,000
Soil Conservation Service—Flood Prevention	25,000,000
FEMA—Disaster Relief	250,000,000
Impact Aid—Disaster Assistance	20,000,000
Forest Service Firefighting	165,700,000
FAA—Air Traffic Control	80,000,000
IRS—Tax Compliance	340,000,000
Customs Service	34,056,000
Ireland—UK Economic Agreement (earmark of existing funds)	(50,000,000)
Embassy Security Abroad—by transfer	(702,026,000)
Atomic Energy Defense Activities—by transfer	(62,000,000)
Compact of Free Association	178,750,000
VA—Compensation and Pension	272,000,000
VA—Readjustment Benefits	91,000,000
EPA—Superfund—release of previously appropriated funds	(150,000,000)
Legislative Branch—Mail Costs	42,249,000
Coast Guard—Operations	35,500,000
Women, Infants and Children (WIC)	20,000,000
EDA—Disapproval of Deferral	(40,000,000)
Fossil Energy R&D—Disapproval of Deferral	(62,205,000)
Energy Conservation—Disapproval of Deferral	(36,782,000)
Strategic Petroleum Reserve—Disapproval of Deferral	(197,940,825)
SPR—Disapproval of Deferral	(315,000,000)
Low Income Housing—Disapproval of Deferral	(2,722,876,000)
Housing for the elderly or handicapped—Disapproval of Deferral	(599,801,000)
Community Development Block Grants—Disapproval of Deferral	(500,000,000)

TITLE I

GENERAL SUPPLEMENTALS

CHAPTER I

DEPARTMENT OF AGRICULTURE

TITLE I

EMERGENCY FLOOD RELIEF

In February of this year several western States were struck by devastating rains causing millions in damages from floods and mudslides. While most of the media showed the results to urban areas, the damage and long-range impacts in the rural area are just as catastrophic. The emergency watershed protection program operated by the Soil Conservation Service and the emergency conservation program managed by the Agricultural Stabilization and Conservation Service are designed to respond to such emergency situations as that which occurred in California, Utah, Colorado, Idaho, Wyoming, and Nevada. To help with removal of debris in streams and streambanks and to prevent the loss of tons of soil from excessive erosion and runoff in agricultural areas, the Committee recommends $25,000,000 for the Soil Conservation Service and $10,000,000 for the Agricultural Stabilization and Conservation Service.

TITLE II

AGRICULTURE PROGRAMS

FOOD SAFETY AND INSPECTION SERVICE

In hearings before the Appropriations Subcommittee on Agriculture, Rural Development, and Related Agencies the Administrator for the Food Safety and Inspection Service testified on March 10 that because of a shortfall in funding, the Department of Agriculture will have to furlough the entire agency for three days this fiscal year. Since the agency is by law required to provide continuous inspection of meat and poultry, without additional funding the health and safety of the country may be at jeopardy through insufficient inspection of meat and poultry products. Accordingly, the Committee recommends $3,700,000 for inspection of meat and poultry in existing and new processing plants.

LIMITATION ON TRANSFER OF FUNDS

The Committee is aware of transfers of funds made by the Department of Agriculture whereby the Department has not followed

long established procedures of notifying the House and Senate Appropriations Committees in advance of such transfers. Over the years, the Committee has always supported allowing the Department flexibility to meet changing needs and especially to meet emergency situations that affect American agriculture. However, the Committee cannot support the transfer of funds appropriated for one purpose to be used for another purpose solely at the discretion of the Department of Agriculture, since such transfers can clearly be used to thwart the congressional priority setting process. Therefore, the Committee recommends language in the bill which provides that funds made available in Appropriations Acts shall be available only for the purpose for which appropriated unless the transfer of funds from such accounts is authorized in advance in Appropriations Acts.

Report on Contaminated Milk and Milk Products

The Committee has been advised of the serious problem that has been reported to have developed in the States of Arkansas, Missouri, and Oklahoma, with respect to the contamination of milk and milk products. In view of the potential seriousness of this problem and the potential impact on the dairy industry of the three States involved, the Committee recommends bill language directing the Secretary to immediately conduct a study of the reports of contaminated milk and milk products in the three States and report on such contamination and the estimated losses suffered by dairy farmers and processors by April 15, 1986.

Farmers Home Administration

RURAL HOUSING INSURANCE FUND

For fiscal year 1985 Congress provided a total of $2.3 billion for single family housing (section 515) loans and $940 million for multi-family housing (section 515) loans by the Farmers Home Administration. The President's budget for fiscal year 1986 proposed to terminate the rural housing programs. After long negotiations on the fiscal year 1986 funding level, both during the authorization process and the appropriation process, the funding was restored to a much lower level of $1.4 billion for single family housing and $700 million for multi-family housing. However, even after this lengthy period of negotiation on a revised level for the Farmers Home housing loan program, which was funded in the annual Appropriations Act for the Department of Agriculture, on March 12, 1986, a deferral was submitted to Congress to defer $700 million of this program. This action would effectively terminate the program for fiscal year 1986. Therefore, in order to ensure that at least a minimum level of loan funds is available to meet the housing needs of rural America, the Committee recommends that Congress disapprove proposed deferral D86-60 relating to the Farmers Home Administration Rural Housing Insurance Fund loan program.

AGRICULTURAL STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

The Committee recommends that an additional $71,598,000 be transferred from the Commodity Credit Corporation to the salaries and expenses account of the Agricultural Stablization and Conservation Service. The amount recommended is the same as the amount proposed in the supplemental budget request submitted by the President on February 5, 1986, and is necessary to meet the increased workload of the county offices of the Agricultural Stabilization and Conservation Service in carrying out record commodity loan-making activities as well as the additional workload caused by the implementation of the Food Security Act of 1985.

TITLE III

DOMESTIC FOOD PROGRAMS

FOOD AND NUTRITION SERVICE

FEEDING PROGRAM FOR WOMEN, INFANTS, AND CHILDREN (WIC)

The Committee recommends an appropriation of $20,000,000 for the WIC Program to meet increased funding needs and further expects the Department to use its current allocation formula to distribute monies available in fiscal year 1986. The Committee also expects the Department to distribute the available WIC monies as expeditiously as possible under the current allocation formula. Moreover, changes in the allocation formula for future fiscal years should not be made without prior notification and consultation with the Committee.

COMMODITY SUPPLEMENTAL FOOD PROGRAM

The Committee has learned that the Food and Nutrition Service has transferred $3,950,000 from the Commodity Supplemental Food Program account to the Commodity Credit Corporation for CCC food items used in the program. This action is in violation of the directive contained in the Conference Report to accompany H.J. Res. 534, (House Report No. 99-493) for the Department to withhold action until reviewed by the Appropriations Committees. The Department is directed to restore the $3,950,000 to the Commodity Supplemental Food Program from CCC until such time as approval for the transfer to CCC is granted.

TITLE IV

COMMODITY CREDIT CORPORATION

H.J. Res. 465 contained the following language which passed the House but died in conference in the first session of the 99th Congress:

> SEC. 105. In view of the financial crisis facing many farmers, resulting from embargoes and suspension of ex-

ports in 1973, 1974, 1975, and 1980, and failure to use the Commodity Credit Corporation for a loan program which led to a fair price from the user, the Secretary of Agriculture shall use his authority under existing law to provide for nonrecourse loans on basic agricultural commodities at such levels as will reflect a fair return to the farm producer above the cost of production, and to issue such regulations as will carry out this provision and as will provide for payment by the purchaser, rather than by appropriation, for basic commodities sold for domestic use and the Secretary of Agriculture shall issue such regulations as will enable producers of any basic agricultural commodity to produce the amount needed for domestic consumption, to maintain the pipeline, and to regain and retain by competitive sales our normal share of the world market.

The Committee recommends language calling on the Secretary to return as soon as possible to a farm program such as was spelled out in section 105.

The Committee is also concerned that the new conservation reserve program could provide unnecessary windfall profits to nonfarmers and speculators and could lead to uncontrolled participation by very large farmers. The original estimates for the cost of the reserve were based on approximately $40 per acre bids. But reports for the first sign-up period for the reserve include many bids ranging over $100 per acre. The Committee therefore recommends that the Secretary implement a conservation reserve program which limits payments to land which has been devoted to the production of either basic agricultural commodities or major crops, such as feed grains and soybeans, during crop years 1984 and 1985. In carrying out this program the Secretary shall give priority to farm producers and ranchers over absentee landowners and shall contract for no more than 50 per cent of the land owned or operated by any one individual. Further, the total amount of rental payments, including rental payments made in the form of in-kind commodities, made to an owner or operator under the conservation reserve program for any fiscal year may not exceed $25,000 and the payment per acre may not exceed one-third of the value of the preceding year's production.

FEDERAL CROP INSURANCE CORPORATION

The Committee is concerned that some agencies are now able to draw unlimited funds from the Commodity Credit Corporation and, thereby, bypass the annual appropriation review process. The Commodity Credit Corporation has, over the last several years, consistently required supplemental funding and having an increasing number of agencies tap the Commodity Credit Corporation for their routine operating expenses exacerbates the problem. The Federal Crop Insurance Corporation has, over the last several years, requested supplementals on a routine basis, so much so that it can no longer be considered an emergency. The Committee has been advised that this year the Federal Crop Insurance Corporation intends to draw at least $250,000,000 from the Commodity Credit Corporation, which could easily have been requested as an appropria-

tion. The bill language recommended by the Committee would make FCIC funding, as it has been in the past, subject to congressional review.

CITRUS CANKER

In order to prevent extensive damage to the Nation's citrus industry and prevent a disruption of national and international commerce in citrus fruits the Committee recommends that the Secretary of Agriculture use his authority under existing law to transfer not to exceed $14,000,000 from the Commodity Credit Corporation to the Animal and Plant Health Inspection Service to honor a commitment through a cost-sharing program between the Department of Agriculture and the State of Florida, to (1) compensate for infected nursery stock destroyed in fighting the outbreak of citrus canker—a bacterial disease which causes extensive damage to citrus fruits—found in Florida, in 1984, and (2) to cover current and continuing operating expenses of a citrus canker eradication and control program.

The Committee also recommends a provision in the bill that any funds previously transferred to the citrus canker program, from accounts other than the Commodity Credit Corporation, shall be immediately returned to the account from which transferred.

COOPERATIVE STATE RESEARCH SERVICE

The Committee further recommends a provision in the bill that the Secretary of Agriculture shall use his authority under existing law to transfer $5,000,000 from the Commodity Credit Corporation to the Cooperative State Research Service to meet the matching funds requirement for development of an international trade center at Oklahoma State University.

AVIAN INFLUENZA

Avian influenza has been described by the Department of Agriculture as a ticking time bomb. This fast-spreading disease can destroy entire flocks of poultry. On January 3 of this year the disease was detected in Pennsylvania and has since spread to several Northeastern States, including New York, New Jersey, and Massachusetts. Over half-a-million chickens and turkeys have had to be destroyed to date. In an effort to prevent further widespread damage to the Nation's poultry industry, the Committee recommends that the Secretary use not to exceed $10,000,000 from the Commodity Credit Corporation to control and eradicate avian influenza.

TITLE V

FARM PROGRAMS

The Committee is convinced that it is essential that the authority to defer principal and interest now available under the law (7 U.S.C. 1981a) be used and recommends the following language in the bill:

As authorized by existing law, in order to protect the national economy, to prevent the destruction of much of the agricultural industry, to keep farmers engaged in farming, and to prevent a further drastic decline in land values, those persons who were engaged in agricultural production of basic commodities in calendar year 1985, and who have made a bona fide effort for the last two years to meet their financial obligations to the Farmers Home Administration should, upon a showing of inability to obtain financing from private sources, be eligible for a production loan from the Farmers Home Administration, whether such persons had been a prior borrower from the Farmers Home Administration or from private sources, and their debt, including principal and interest, if with the Farmers Home Administration, should be deferred for 1986 and for such additional period as it may take to determine what part of their present debt is the result of Government embargoes declared in 1973, 1974, 1975, 1980, and what part of their debt is due to a virtual embargo due to failure to offer surplus commodities in world trade at competitive prices since 1980.

The Administrator of the Farmers Home Administration should complete a determination by April 1, 1986, on a case-by-case basis, of farmers who are unable to continue making payments of principal and interest due to circumstances beyond their control and, thereby, qualify for assistance under this section.

CHAPTER II

DEPARTMENTS OF COMMERCE, JUSTICE, AND STATE, THE JUDICIARY, AND RELATED AGENCIES

DEPARTMENT OF COMMERCE

Economic Development Administration

ECONOMIC DEVELOPMENT ASSISTANCE PROGRAMS

The Committee recommends that the proposed deferral (D86–36) of $40,000,000 for "Economic development assistance programs" be disapproved effective on the date of enactment of the accompanying bill and that the proposed amount be made available for obligation.

The fiscal year 1986 adjusted appropriation plus amounts provided in the Continuing Resolution (P.L. 99–190) total $192,549,747. Of the amounts provided through P.L. 99–190, it was estimated at the time of enactment that $1,069,861 would be available for a shelter for the homeless in Middlesex County, New Jersey and $819,650 would be made available for the Will County Local Development Company and the Illinois and Michigan Canal Commission in Illinois from obligated but undisbursed balances from the appropriations made pursuant to the Local Public Works Capital Development and Investment Act of 1976. More recent estimates indicate that only $280,046 and $29,354 respectively will be made available,

thereby causing a shortfall in the projects' funding of approximately $790,000 for New Jersey and approximately $791,000 for Illinois. Language is included in the accompanying bill earmarking these amounts for the purposes contained in the relevant sections of P.L. 99-190 so that the funding level intended in that legislation can be fulfilled.

DEPARTMENT OF JUSTICE

Federal Prison System

SALARIES AND EXPENSES

The Committee recommends a supplemental appropriation of $15,500,000 for the salaries and expenses appropriation of the Federal Prison System. This amount, which represents an increase of $4,880,000 above the supplemental budget request, is needed to provide necessities for the increase in the prison population. The Administration requested $10,620,000 to provide for food, medical, clothing, inmate transportation, unit management, education, recreation, religious, psychology, and maintenance costs associated with a projected increase of 2,779 in the average daily population in Federal prisons above the original estimate for fiscal year 1986 of 33,790 for a new total of 36,569. However, the Director of the Federal Prison System in recent testimony before the Committee indicated that the average daily inmate population in the Federal Prison System is currently 37,850, and that the additional amount is needed to cover expenses of keeping those additional prisoners. The Comprehensive Crime Control Act of 1984, the indefinite postponement of the agreement to return the excludable Mariel Cubans, and the Department of Justice agreement to accept all District of Columbia Code felons and misdemeanants sentenced to prison and jails have been the principal causes of the increase in the Federal prison population.

DEPARTMENT OF STATE

Administration of Foreign Affairs

The Committee recommends a total of $702,026,000 in transferred funds for three appropriations items in the Department of State to begin the Administration's initiative to upgrade the security of personnel, facilities, and communications involved in diplomatic operations. This is the full amount requested. However, the Committee bill provides that this entire amount shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales, rather than by a direct appropriation of new budget authority, as requested by the President.

The Department of State is responsible for the security of U.S. officials and employees abroad, including those of various other Departments and agencies, except for those under military com-

mands. The security of diplomatic missions has been of increased concern since several incidents of kidnapping, assassination, and mob violence in the 1970's. Although significant protective measures have been taken to counter that problem, the greatly increased threat in this decade of terrorist bombings of embassies and assassination of officials has required extraordinary new measures. In 1982 the Department of State, with the support of the Congress, undertook a program to increase perimeter, entrance, and interior security at embassies and consulates. The second bombing of the embassy in Beirut in the fall of 1984 demonstrated that more substantial steps were required.

In June 1985 an Advisory Panel on Overseas Security completed a detailed analysis of the security of U.S. diplomatic missions and made major recommendations to improve the security of diplomatic activity abroad as well as in the United States. The Administration has proposed a five-year program costing $4.4 billion to implement these recommendations. The major features of the plan include:

Consolidation of overseas diplomatic security responsibilities in the Department of State and creation of a new bureau of diplomatic security for this purpose;

Establishment of a board of inquiry/accountability to review security breaches and recommend action against negligent personnel;

Increased protection of foreign official visitors and diplomats in the United States;

Replacement or modification of many diplomatic facilities that do not meet minimum security standards, and strengthening of residential security for employees at high-threat diplomatic posts;

Increased staffing, training, and professionalism for State Department security personnel; and

Additional and improved security and communications equipment to reduce the vulnerability of U.S. diplomatic missions.

The Administration has budgeted this program over a five-year period but will require two or three additional years to complete it. Given the long lead time to complete facilities and to improve security staffing and training, the Committee believes it is necessary to proceed with this initial supplemental request of $702,026,000 on an urgent basis. While the initiation of this plan will not absolutely guarantee the safety of U.S. diplomatic personnel and facilities, the Committee believes the security initiative will greatly increase the Government's ability to conduct diplomatic relations in an orderly and safe manner. The Committee wishes to emphasize that these funds are provided for the purpose of enhancing security and intends that these resources not be used to acquire non-security related facilities, equipment, or personnel.

The Committee intends that small businesses have an opportunity to bid for the contracts for upgrading the security at our State Department posts abroad. Therefore, the Committee requests the Department break the contracts into separate proposals where feasible so that small businesses are not excluded because contracts are too large, and that the Department set aside under small business set-aside rules used in stateside contracting, a substantial por-

tion of the additional resources provided in the accompanying bill for the security upgrade program.

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

The Committee recommends $237,494,000 in transferred funds for the salaries and expenses appropriation. This is the full amount requested. However, the Committee bill provides that these funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales, rather than by a direct appropriation of new budget authority, as requested by the President.

These funds will provide for 595 additional positions, equipment, and facilities for urgently needed security protection, primarily for United States personnel and missions abroad. Components of this supplemental are:

$71,522,000 and 49 positions to provide residential security for all agencies at high-threat posts;

$59,827,000 for perimeter security to continue the program of providing improved protection for office buildings at high-threat posts;

$10,132,000 and 31 positions to counter sophisticated penetration systems used by hostile intelligence services against U.S. diplomatic facilities abroad;

$5,004,000 and 20 positions for managing an overseas guard program and improving the caliber of these guards;

$4,865,000 and 126 positions for the protection of certain foreign ambassadors and visiting foreign dignitaries in the United States;

$14,572,000 and 124 positions for security training and professionalism, of which $2,233,000 and 61 positions are for the new bureau of diplomatic security;

$22,769,000 and 58 positions for communications, primarily protection of classified office equipment and radio support;

$29,899,000 and 76 positions for information systems and security, primarily for an alternate ADP facility;

$6,330,000 to replace selected Foreign Service national employees at Soviet and Eastern European posts with American contract employees; and

$12,574,000 and 111 positions for other overseas and domestic support including engineering, vehicle replacement, protective equipment, regional security officers, terrorist threat analysis, domestic physical security, security investigations, procurement, transportation, counterterrorism efforts, legal, personnel, financial, audit and other agency support.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

(TRANSFER OF FUNDS)

The Committee recommends $454,532,000 in transferred funds for "Acquisition and Maintenance of Buildings Abroad" to begin the Administation's Diplomatic Security Initiative. This is the full amount requested. However, the Committee bill provides that these funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales, rather than by a direct appropriation of new budget authority, as requested by the President.

These funds include $415,762,000 for construction projects at 23 posts abroad; $4,769,000 for 177 additional positions to manage this program; $14,807,000 for new construction, relocation or rehabilitation of facilities for the Agency for International Development abroad; $15,444,000 for relocation of offices libraries and cultural centers at 17 United States Information Agency posts abroad, and security upgrades at Voice of America relay stations both overseas and within the United States; and $3,750,000 for Department of Commerce commercial offices/libraries abroad.

The Advisory Panel on Overseas Security reviewed 344 facilities of the Department of State and other foreign affairs agencies overseas and concluded that they do not meet current minimum security standards for location, structural integrity, and tenancy. The panel found that many of these facilities are directly on or near streets and other public areas and are therefore impossible to protect adequately. In other cases facilities are located in buildings over which the U.S. Government does not have complete control due to other tenants who share the facility or common walls with adjacent structures. At other facilities the existing external perimeter barriers such as walls, fences and other obstacles including berms and bollards are incapable of stopping vehicles attempting to penetrate the compound. In still other locations the panel found that our facilities are extremely vulnerable to an increasingly hostile electronic environment and surveillance activities.

In considering this situation, the Advisory Panel came to several important conclusions concerning the buildings in which our diplomatic missions are located:

The United States should exercise complete control over the buildings which house its activities;

Specific locations of the facilities is the paramount consideration in the avoidance of security related incidents;

Co-location with other tenants, whom the United States neither chooses nor controls, presents a substantial security risk;

It is extremely difficult to safeguard national security information against modern electronic and audio techniques when other buildings are adjacent to or near our facilities;

The age, architecture, and design of our buildings are critical factors in determining our capability to defend them. Many

buildings simply cannot be upgraded to the standards that are necessary today.

As a result of these findings the Advisory Panel recommended the establishment of new security construction standards for U.S. diplomatic facilities abroad. These include 100-foot setbacks, substantially upgraded seismic requirements and the capability of withstanding sophisticated electronic penetration and surveillance. In addition, the panel recommended that a substantial relocation and building program be initiated and carried out to overcome the current problems and implement the panel's findings.

The Administration's security initiative, which reflects most of the Advisory Panel's recommendations, includes 98 State Department construction projects; 51 AID construction, relocation or rehabilitation projects; 72 USIA relocation projects for libraries and cultural centers; security upgrades at 30 VOA relay stations; and security upgrades at Department of Commerce overseas sites. These projects would be constructed over a five-year period.

The Committee recommendation in this bill includes $415,762,000, as requested, for urgently needed construction projects at 23 State Department posts to begin this security upgrade program. Ten of these projects were originally funded in a fiscal year 1985 Security Supplemental and additional funds are required at this time to implement the new security standards. These projects are as follows:

[In thousands of dollars]

Country and post	Prior appropriation	1986 supplemental request	Total project
Construction:			
Bahrain, Manama	12,571	2,212	14,783
Bangladesh, Dhaka	12,787	5,651	18,438
Honduras, Tegucigalpa	11,355	4,351	15,706
Jordan, Amman[1]	19,853	24,901	44,754
Kuwait, Kuwait	18,140	6,002	24,142
Oman, Muscat	30,814	681	31,495
Qatar, Doha[1]	10,530	6,358	16,888
Somalia, Mogadishu	14,340	19,287	33,627
Yemen, Sanaa	22,161	8,556	30,717
Djibouti, Djibouti	1,800	800	2,600

[1] Includes site acquisition.

Partial funding of an additional 11 projects was included in the regular Fiscal Year 1986 Appropriation Act for the Department of State. Additional funds are required at this time to complete these projects and implement the new security standards. These projects are:

[In thousands of dollars]

Country and post	Prior appropriation	1986 supplemental request	Total project
Construction:			
Bolivia, La Paz	23,839	12,611	36,450

[In thousands of dollars]

Country and post	Prior appropriation	1986 supplemental request	Total project
Chile, Santiago	6,100	44,556	50,656
Cyprus, Nicosia [1]	12,140	4,580	16,720
Guyana, Georgetown	11,149	4,307	15,456
Jamaica, Kingston	1,917	53,628	55,545
Sudan, Khartoum	2,410	33,940	36,350
Switzerland, Geneva START [2]	3,130	56,170	59,300
Tunisia, Tunis	3,130	30,200	33,330
Turkey, Istanbul [3]	1,260	18,925	45,967
Turkey, Izmir	865	12,325	13,190
Venezuela, Caracas	24,170	20,721	44,891

[1] Chancery and Ambassador's residence project.
[2] Includes development/design.
[3] Total includes $14,782 in fiscal year 1987 and $11,000 in fiscal year 1988.

The Committee recommendation also includes $25,000,000 in additional funds for the Moscow Embassy project for security related matters. These funds will provide for redesign of the main floor of the chancery to add two Marine guard control booths and for the added cost of using American workers in lieu of Soviet workers to complete the finishing work on the chancery.

The final project for which funds are recommended is the upgrading of our chancery in London to protect communications and security facilities from technical penetration efforts by hostile intelligence sources. This special upgrade program involves approximately 25 percent of the chancery building at an estimated cost of $20 million.

The funds recommended in this appropriation account include $4,769,000 for 177 new positions. The Department of State will carry out the new building program through a public/private partnership making maximum use of private sector program management, technical expertise, and the ability to mobilize resources quickly. The new positions will provide for program oversight, project supervision, contract administration, construction management, and administrative support.

The Committee recommendation includes $14,807,000 for new construction or relocation projects at two posts of the Agency for International Development, San Salvador and Khartoum, and rehabilitation of other AID facilities which do not require relocation.

The amount recommended provides $15,444,000 for the United States Information Agency. This amount includes $5,817,000 for relocation of USIA offices and libraries listed below in priority order based on an assessment of the threat: Kampala, Lima, Jerusalem, Tunis, Casablanca, Davao, Ismir, and Dar Es Salaam.

The amount recommended for USIA also includes $2,619,000 for relocation of libraries and cultural centers at the following USIA posts: Guadalajara, Freetown, The Hague, Kinshasa, and Rio De Janeiro.

The amount recommended includes $7,008,000 for additional security upgrades at Voice of America relay stations which are undergoing a significant modernization and construction program.

The amount recommended includes $3,750,000 for Department of Commerce overseas facilities. These funds will provide for security site surveys at five commercial offices/libraries ($250,000) and for upgrading perimeter security and public access controls at seven Department of Commerce commercial offices and libraries overseas ($3,500,000).

The Committee believes that the entire amount recommended in this appropriation account is necessary to improve security at our posts overseas. However, the Committee desires the opportunity to review the final estimates for each project before funds are committed. Therefore the Committee has included a provision in the bill requiring the Department of State to submit a reprogramming proposal and obtain approval for the use of the funds provided for each project in accordance with the House and Senate Appropriations Committees' reprogramming procedures before funds are obligated. These procedures are contained in the Fiscal Year 1986 Appropriation Act (Public Law 99–180).

COUNTERTERRORISM RESEARCH AND DEVELOPMENT

(TRANSFER OF FUNDS)

The Committee recommends an appropriation of $10,000,000, in transferred funds for initiating a counterterrorism research and development program for the Department of State. This is the full amount requested. However, the Committee bill provides that these funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales, rather than by a direct appropriation of new budget authority, as requested by the President.

The Department has identified major deficiencies in funding for new techniques in identifying and countering potential terrorist attacks. Improvement in the Department's ability to combat terrorism at our overseas facilities is highly dependent on the development of technology. Because of the wide diversity of terrorist threats, as well as the traditional differences in the missions of various Government agencies, significant gaps in technological programs exist which neither the Department nor any other individual agency now has the responsibility for addressing. These funds will provide for a focused and coordinated interagency effort to fill these gaps and to develop the technology to deter a wide range of terrorist and technical threats against U.S. personnel, facilities, and national security information.

OTHER

THE ASIA FOUNDATION

The Committee recommends a supplemental appropriation of $2,000,000 for the Asia Foundation. These additional resources for fiscal year 1986 will permit the Foundation to take immediate ad-

vantage of its opportunities to meet some of the urgent requests for democratic institution-building programs in the Philippines.

During the Philippine presidential election campaign, the Foundation spent the funds it had allocated for the Philippines much more rapidly than had been anticipated before the snap election was called. It did so to encourage free and fair political processes. The Foundation extended support to local Philippine organizations for the publication and distribution of voter education manuals, an educational campaign on citizen's rights and responsibilities, training of poll watchers, and enhancement of independent election news coverage.

The additional resources recommended in the accompanying bill will permit the Foundation to enhance this ongoing program and respond, in part, to the requests of the new government for assistance at this crucial time. These requests include:

Assistance for research, public opinion surveys and American literature on constitutional questions and support for mini constitutional conventions, locally organized, in connection with efforts to draft a new constitution for the Philippines;

Assistance to the executive branch of the new government for research projects on urgent issues, workshops and training programs for new officials;

Expanded support to the national legislature including special education programs on the role of a legislature in a democratic society and training programs for staff;

Assistance to the judiciary on court reform, training of new judges and court modernization;

Assistance in preparation of new civics and social studies textbooks and teacher training materials;

Support for reestablishment of the Press Institute of the Philippines and its educational program and for training programs for the media.

THE JUDICIARY

Supreme Court of the United States

CARE OF THE BUILDING AND GROUNDS

The Committee recommends a supplemental appropriation of $46,000, the full amount of the supplemental budget request, for the Care of the Building and Grounds appropriation for the Supreme Court of the United States. These additional funds are requested to augment the fiscal year 1986 regular appropriation of $250,000 for electrical energy for the Supreme Court building. The request is based on an increase in the rate and an increase in consumption of electrical energy for which no funds were included in the regular budget request for the Court for fiscal year 1986.

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COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES OF SUPPORTING PERSONNEL

(INCLUDING TRANSFERS OF FUNDS)

The Committee recommends a total of $13,200,000, the full amount of the supplemental budget request, for "Salaries of Supporting Personnel". Of this amount, $12,000,000 is to be derived by transfer—$2,000,000 from "Salaries of Judges" and $10,000,000 from "Expenses of Operation and Maintenance of the Courts". These transfers are recommended to assist the Judiciary in their efforts to comply fully with the President's sequestration order issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, without curtailing essential judicial services.

The appropriation accounts for the Judiciary are structured in a manner which precludes reprogramming between salary accounts and expenses accounts. These transfers do not restore the reduction in funds caused by the sequestration, but merely permit the Judiciary to handle these reductions the same way most agencies which have a combined Salaries and Expenses account have been allowed to handle them, without RIF's or furloughs or closing facilities.

The Committee recommendation also includes an additional $1,200,000 for fiscal year 1986, the full amount of the supplemental budget request, for an additional 200 permanent Deputy Clerk positions to staff bankruptcy offices in District Courts. These positions would be filled during the last quarter of the current fiscal year. The justification for these additional resources is based entirely on unanticipated increases in bankruptcy workload. Current projections indicate that the Courts will experience an increase of 2.9 per cent in adversary proceedings relevant to bankruptcy and an average increase of 12.8 per cent in bankruptcy petitions filed compared with the original projections for these items. The original estimates of filings under Chapter VII and Chapter XIII for fiscal year 1986 are expected to increase by 11.3 per cent and 15.5 per cent respectively and petitions under Chapter XI are expected to increase by 18.2 per cent.

FEES OF JURORS AND COMMISSIONERS

The Committee recommends an additional $3,800,000 for "Fees of Jurors and Commissioners" for fiscal year 1986, the full amount of the supplemental budget request. These funds are recommended to accommodate an unanticipated increase in juror useage which is largely uncontrollable in that it is predicated upon trial activity in the United States District Courts. In testimony before the Committee, officials of the Judicial Conference of the United States indicated that without these additional resources United States District Courts would have to eliminate all civil jury trials during the last quarter of fiscal year 1986. Such a shutdown would mean delaying 1,200 trials until fiscal year 1987.

COURT FACILITIES

The Federal Judiciary, in order to meet the Gramm-Rudman-Hollings legislation, has advised that they plan to curtail activities at the Delta Division of the United States District Court at Clarksdale, Mississippi. The Committee feels strongly that some other solution should be found to address this matter since the Congress has established places of holding Federal court for the accommodation of litigants, witnesses and the people generally. Since places of holding court are established by acts of Congress, they can be abolished only in the same manner. The Committee calls on the Judiciary to make full use of all facilities and allocate adequate personnel and other resources to places of holding court, which are provided by the Congress for the delivery of justice to all the people.

STUDY OF CONSTRUCTION OF OFFICE BUILDING

The Committee recommends an appropriation of $2,000,000, as requested, to provide for a study of the construction of a building or buildings for the Judiciary, as authorized in Public Law 99-229. That legislation provides that the Architect of the Capitol and the Secretary of Transportation, in consultation with the Chief Justice of the United States, shall jointly study alternatives for the construction of a building or buildings to meet the current and future needs of the Administrative Office of the United States Courts, the Federal Judicial Center, and other judicial functions, and activities which the Architect and Secretary determine may appropriately be located in the facility. Public Law 99-229 prescribes that the study shall include the following items:

A study of alternative sizes and designs and the estimated costs of each alternative;

An analysis of other commercial, governmental, cultural, educational, and recreational actitivies which may appropriately be located in the facility;

An analysis of methods of providing security, utility, fire and other related services for the facility and allocating the cost of each among the occupants;

An analysis of methods for financing and constructing the facility in the most feasible and economical manner;

An analysis of methods of financing the construction of the facility to minimize or eliminate initial capital investment by the United States through the use of public-private partnerships or non-governmental sources of financing.

RELATED AGENCIES

DEPARTMENT OF TRANSPORTATION

MARITIME ADMINISTRATION

OPERATIONS AND TRAINING

(DISAPPROVAL OF DEFERRAL)

The Committee recommends that the proposed deferral of $9,350,000 in the "Operations and Training" appropriation be dis-

approved effective on the date of enactment of the accompanying bill and that the proposed amount be made available for obligation.

A total of $9,350,000 was proposed for deferral (D86-53) in the message of February 5, 1986, which was transmitted to the Congress by the President. This proposal was comprised of two elements: $8,500,000 provided in the Fiscal Year 1984 Supplemental Appropriations Act (Public Law 98-396) for the aquisition and preconversion costs for a training vessel to be used at the State University of New York Maritime College and $850,000 provided in the Fiscal Year 1984 Appropriations Act (Public Law 98-166) for fuel oil assistance to State Maritime Academies. The Committee is aware that the General Accounting Office has recently advised the Secretary of Transportation that the deferral of $8,500,000 of the $9,350,000 reported by the President in Deferral No. D86-53 is unauthorized under the Impoundment Control Act. The Congress previously disapproved this deferral in Public Law 99-88. The GAO found that in disapproving the first deferral, the Conress had already made a judgment that the training vessel was needed. GAO further found that the current justification does not provide a substantial new basis for justifying the reimpoundment of these funds.

The Committee has disapproved the entire deferral and expects the Department of Transportation and the Maritime Administration to make available the $8,500,000 appropriated for the training vessel for the State University of New York Maritime College and the $850,000 appropriated for fuel oil assistance for the State maritime academies upon the date of enactment of the accompanying bill.

BOARD FOR INTERNATIONAL BROADCASTING

GRANTS AND EXPENSES

The Committee recommends a supplemental appropriation for the Board for International Broadcasting (BIB) of $14,500,000, the full amount of the budget request.

The fiscal year 1986 authorization, budget request and appropriation for BIB grants to Radio Free Europe/Radio Liberty, Inc. (RFE/RL) were based on estimated exchange rates of 3.08 West German marks, 160.16 Escudos and 171.80 Pesetas to the dollar. The Committee recommendation for a supplemental appropriation, together with the $3,395,000 available in the BIB Currency Devaluation Fund, will protect the fiscal year 1986 program level from downward fluctuations in foreign currency exchange rates to a level of 2.4595 West German marks, 157.00 Escudos and 153.6 Pesetas to the dollar. Recent estimates indicate that the supplemental request may be insufficient. However, the Committee has provided the full amount of the request to assist the BIB in meeting the program levels provided for in the Fiscal Year 1986 Appropriations Act for grants to RFE/RL to the fullest extent possible, and will consider additional requests if submitted.

SMALL BUSINESS ADMINISTRATION

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

The Committee recommends a transfer of $2,000,000 from the unobligated balances of the Disaster Loan Fund to the salaries and expenses appropriation of the Small Business Administration for disaster loanmaking activities, including loan servicing. These additional resources are necessary because of increased disaster loan processing requirements for the current fiscal year as a result of natural disasters in Virginia, West Virginia, California, Nevada, Oregon and Washington.

CHAPTER III

DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CORPS OF ENGINEERS—CIVIL

CONSTRUCTION, GENERAL

The Committee has been advised that serious erosion problems and slope failure are threatening the Highway No. 39 bridge near Gainesville, Alabama. Therefore, the Corps of Engineers is directed, within available funds, to perform the necessary remedial work at Gainesville.

The eruption of Mount St. Helens, Washington on May 18, 1980 deposited some 3 billion cubic yards of volcanic sediment in a 17 mile long debris avalanche in the Toutle River valley, creating one of the nation's worst sediment problems. Congress authorized a permanent solution to the sediment problem last year, PL 99-88. It is imperative to begin construction as soon as possible as the downstream communities of Castle Rock, Lexington, Kelso and Longview are now vulnerable to severe flooding. Should a severe storm strike this area, according to the Corps of Engineers, the north-south transportation system would be severely damaged at the Interstate Highway (I-5), as would the railroad bridges which cross the mouth of the Toutle River. The resulting sedimentation in the Toutle and Cowlitz Rivers would greatly increase the probability that significant flooding would occur for years in the future. In addition, the magnitude of the storm sediment deposition in the Columbia River navigation channel could cause major disruption of commercial navigation. The value of these damages could exceed $200,000,000.

The feasibility report contained a schedule with a construction start in FY 1986 for $17 million. This consisted of a coffer dam, dewatering and the sediment retention structure site clearing and associated access road. The $1,400,000 would be used to begin construction of the project. $1 million would be used for dewatering work and $0.4 million would be used for site clearing and an associated access road.

FLOOD CONTROL AND COASTAL EMERGENCIES

The Committee has received testimony from the Corps of Engineers regarding the recent devastating floods in California, Nevada, Utah, Colorado and other sections of the country. According to the latest data compiled by the Corps, the recent floods were responsible for 11 deaths and 67 injuries. Over 12,000 houses were damaged and estimated damages of $372 million are reported in California alone.

The current balance in the Emergency Fund will meet identified requirements and will allow for response to flood problems. However, water levels remain high in many California rivers and the full extent of damages to projects is not known. The spring flood season is still ahead and the extent of flooding could vary from moderate to severe. Therefore, the Committee has included $25 million in the bill to replenish the fund. In the event that the Corps depletes the fund and has further requirements prior to enactment of the bill, the Corps should examine its entire program to determine the most appropriate source of funds to borrow under the provisions of P.L. 84-99. The Committee believes that, insofar as possible, funds should be borrowed only from activities that have slipped due to existing flood emergency conditions.

The Grand Isle and Vicinity Hurricane Protection Project in Lousiana sustained extensive damage due to severe storms during last winter and the unprecedented series of three hurricanes along the Gulf Coast in the summer of 1985. Considering the near completion of the project and the fact that it had not been turned over to local sponsors at the time of the damage, the Committee directs the Corps to restore the project within its P.L. 84-99 authority and to harden the project against similar damages in the future within funds presently available.

GENERAL EXPENSES

The bill includes a transfer of $3 million from the Operation and Maintenance, General appropriation to the General Expenses appropriation as requested by the Administration. The additional funds will restore the 5 percent pay cut proposed in the FY 1986 budget. The funds were not restored in the regular FY 1986 bill because of the timing of Congressional action on the bill. Unprogrammed executive direction and management requirements, such as the recent emergency disaster response to record flooding in California have highlighted the urgency for the transfer request at the earliest possible time.

DEPARTMENT OF ENERGY

ENERGY SUPPLY, RESEARCH, AND DEVELOPMENT ACTIVITIES

The Administration requested deferrals totaling $671,023,000 of FY 1986 appropriations to the Department of Energy for Energy Supply, Research and Development, Departmental Administration, Uranium Enrichment and the Power Marketing Administrations for fiscal policy and other reasons. The Committee recommends disapproval of approximately 3% of the proposed deferrals relating

only to $23,156,000 for Energy Supply, Research and Development Activities for solar and renewable energy initiatives. These funds were included in the FY 1986 appropriation bill and are required to assure a balanced energy research program and to protect very large Federal investments in ongoing research programs.

ATOMIC ENERGY DEFENSE ACTIVITIES

The Administration requested the transfer of $62,000,000 from the Department of Defense to the Department of Energy in fiscal year 1986 to accelerate the Department of Energy research and development on nuclear directed energy applicable to the national Strategic Defense Initiative program.

The allowance provides for the requested transfer. However, the transfer of funds shall not become available for such transfer until 30 days after the Committees on Appropriations of the House of Representatives and the Senate receive from the Department of Defense a list of the specific sources of funds to be used for such transfer.

CHAPTER IV

FOREIGN ASSISTANCE AND RELATED PROGRAMS

Bilateral Economic Assistance

AGENCY FOR INTERNATIONAL DEVELOPMENT

The Committee has recommended bill language that provides that $50 million in FY 1986 funds already appropriated under the Economic Support Fund be made available for the United States contribution to the International Fund established based on a November 15, 1985 agreement between the United Kingdom and Ireland. In providing the use of $50 million in economic support funds for the International Fund it is the intention of the Committee that the assistance will be provided as a cash contribution for the purpose of capitalizing the Fund.

The International Fund will serve to provide an incentive for economic development and reconciliation in Ireland and Northern Ireland. It is the feeling of the Committee that U.S. support for the Fund is essential in order to meet the goals established by the agreement between Ireland and the United Kingdom.

CHAPTER V

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Housing Programs and Community Planning and Development

DISAPPROVAL OF DEFERRALS

The Committee recommends that deferrals proposed for the Department of Housing and Urban Development for the annual contributions for assisted housing, housing for the elderly or handicapped fund, nonprofit sponsor assistance, community development grants, and the rehabilitation loan fund all be denied. While the Committee has no objection to the application of a 4.3 percent re-

duction applied to these areas owing to the impact of the Gramm-Rudman sequestration order, it does not believe that the deferral or rescission of budget authority constituting 70 percent of the 1986 appropriation for subsidized housing is either fair or equitable.

Also, this use of the deferral mechanism, when combined with the rescission proposal for assisted housing, attempts to distort the original legislative intent of the 1986 HUD-Independent Agencies Appropriations Act. For example, for fiscal year 1986, Congress provided for 5,000 units of public housing construction; 12,000 units of new section 202 housing for the elderly; 32,000 section 8 existing units; 10,000 section 8 moderate rehabilitation units; and 2,000 Indian housing units. The proposed rescission and deferral of almost $7 billion would reduce the public housing construction level to 350 units, the section 202 housing for the elderly to 100 units, the section 8 existing units to 2,300, the section 8 moderate rehabilitation units to 1,100, and the Indian housing units to zero. At the same time, the proposal would increase the section 8 voucher program, which the Committee capped at 36,000, to a total of 50,000 units.

In short, this use of the deferral mechanism has distorted the 1986 budget in that it is being used to change the purpose and the character of the appropriations for assisted housing. The Committee does not believe that represents a proper use of the deferral process as conceived in the 1974 Impoundment Control Act. Therefore, all pending deferrals proposed for the Department of Housing and Urban Development are denied.

In the case of Community Development Block Grants, the Committee wants to make clear that this program has already absorbed more than its share of reductions. The amount appropriated in 1986 represented a 10 per cent reduction below 1985—and that figure was further reduced by the 4.3 per cent sequestration under Gramm-Rudman. Altogether, Community Development Block Grant funding in 1986 is $481,566,400 below the 1985 level, a reduction of 13.9 percent. The Committee therefore is recommending the proposed deferral be denied.

TRANSFERS

The Committee is recommending a number of internal transfers to the salaries and expenses accounts for the Department of Housing and Urban Development, the Environmental Protection Agency, the Federal Emergency Management Agency, the National Aeronautics and Space Administration, and the Veterans Administration. These transfers will not, in any case offset, in total, the effect of the Gramm-Rudman sequestration order on the salaries and expenses function. However, the transfers do permit, within the overall 4.3 percent reduction required by Gramm-Rudman, the above agencies to make some adjustments between program and salaries and expenses accounts. The transfers will permit these agencies to avoid employee furloughs or reductions-in-force. In effect, this action extends to the major agencies in the HUD-Independent Agencies Appropriations Act the same transfer authority that is inherent in a single account agency such as the Selective Service System. In the latter case and in other agencies, funds can

be transferred from programmatic areas to personnel compensation and benefits through the use of reprogrammings. This approach cannot be used in those agencies that have distinct and separate salaries and expenses accounts. Therefore, the transfer authority provided herein will provide equity among multiple account agencies and single account agencies and will not appropriate any additional funds or reduce the impact of Gramm-Rudman as it applies to an agency in total.

Within the amounts transferred for the Department of Housing and Urban Development and the Veterans Administration, $15,066,000 and $2,000,000, respectively, are included for additional staff to help with increased loan insurance and guaranty workloads. Falling interest rates have increased home buying activity well above the staffing levels assumed in the 1986 budget.

The bill also transfers $30,000,000 to the medical care account from the construction, major projects account. The VA is directed to utilize these funds, and reprogram from other objects of expense whatever additional funds are required, to maintain 193,941 FTEE. This is the staffing level authorized in the 1986 HUD-Independent Agencies Appropriations Act. Because it is doubtful that the additional funds will be provided for several months, the VA is directed to utilize available medical care funds in anticipation of the supplemental appropriations transfer. If the VA fails to take this anticipatory action, eligible veterans in need of medical care will not receive this assistance. The major construction funds are to be taken from available unobligated balances, such as those in the working reserve, design fund, and advanced planning fund.

RESCISSIONS

The Administration has proposed a number of rescissions and supplemental language requests lowering loan limitations for the Department of Housing and Urban Development, the National Aeronautics and Space Administration, and the general revenue sharing program. The Committee is not recommending approval of any of these rescission or supplemental language proposals. It is expected that all funds—whether covered under rescission proposals or deferral proposals in the case of supplemental appropriation language requests proposing to lower loan limitations—be made available at the end of the 45 day impoundment period.

INDEPENDENT AGENCIES

American Battle Monuments Commission

SALARIES AND EXPENSES

The American Battle Monuments Commission is requesting a supplemental appropriation of $235,000 to pay wages of foreign nationals to maintain U.S. monuments and memorials. Almost 95 per cent of the Commission's appropriation is expended overseas. Subsequent to the formulation of the supplemental request, the value of the American dollar in foreign markets has continued to decline. Despite measures taken by the Commission to suspend or limit certain necessary expenditures of funds, a shortfall is anticipated in

fiscal year 1986 of $1,553,000. That assumes the dollar will stabilize near its present level. The Committee has recommended that $1,553,000 be appropriated in order that the Commission may pay wages for foreign nationals to perform minimal and emergency maintenance on U.S. monuments and memorials. This action will not affect the Gramm-Rudman sequestration.

Environmental Protection Agency

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

The bill includes language to make $150,000,000 immediately available for the Superfund program, as a repayable advance from the general fund to the hazardous substance response trust fund. These funds are required to prevent serious disruption to the Superfund program due to the critical funding shortfall caused by the lapse of authorizing legislation and taxing authority. Unless additional funds are provided in the near future, steps must be taken to terminate a number of national contracts for hazardous waste cleanup and laboratory analysis. Such cancellations would have a devastating, long term impact on progress in cleaning up abandoned hazardous waste sites.

The 1986 HUD-Independent Agencies Appropriations Act already provided an appropriation of $900,000,000 for Superfund in 1986. However, these funds cannot be obligated because of the lapse in Superfund taxes needed to replenish the hazardous substance response trust fund. While the Appropriations Committee has consistently supported a long term reauthorization bill, we feel compelled by the seriousness of the present situation to provide this interim funding. The Committee urges the Superfund conferees to redouble their efforts at reaching agreement on long term reauthorization, since a credible Superfund program simply cannot be continued on the basis of additional short-term extensions.

The $150,000,000 advance shall be repaid with interest from the hazardous substance response trust fund to the general fund using future Superfund tax receipts. This advance authority results in no new budget authority, no additional outlays, and no substantive legislative changes to the Superfund program.

The Committee urges EPA to allocate these funds to initiate work which is ready to proceed on contracts for site cleanups, designs and remedial investigation feasibility studies. This approach should prevent any further layoffs of contractor staff with technical expertise in hazardous waste assessment and cleanup. None of these funds should be used to repay advances made by the states until after reauthorizing legislation has been enacted. Finally, the Committee believes EPA should reevaluate its current criteria on emergency removals to assure that all necessary and justifiable removal actions are made eligible for funding.

FEDERAL EMERGENCY MANAGEMENT AGENCY

FUNDS APPROPRIATED TO THE PRESIDENT

DISASTER RELIEF

An appropriation of $100,000,000 was provided in the 1986 HUD-Independent Agencies Appropriations Act for disaster relief. This amount, together with unobligated balances carried over from 1985, was to provide adequate resources to support the 1986 projected activity level of $275,000,000. The large number and magnitude of disasters during the latter part of 1985 and the early part of 1986, along with ongoing requirements for previously declared disasters, have resulted in greater than anticipated demand for disaster assistance funds. Obligations for 1986 are now projected at approximately $665,000,000. In order to meet these demands, a supplemental funding request has been submitted in the amount of $250,000,000.

The Federal Emergency Management Agency currently estimates that disaster relief funds will be exhausted within a month. To avoid delays in providing needed disaster assistance, the Committee has included the supplemental budget request of $250,000,000 for disaster relief in this urgent supplemental appropriations bill. This amount, together with the 1986 appropriation and the unobligated balance of funds carried over from 1985, will provide the estimated amount of funds needed for disaster related expenses in fiscal year 1986. Expeditious consideration will be given in a subsequent appropriations bill should additional sums be necessary.

VETERANS ADMINISTRATION

COMPENSATION AND PENSIONS

The Veterans Administration requested and the Congress provided a $14,160,800,000 appropriation for the compensation and pensions account in fiscal year 1986. Obligations for compensation payments are estimated to increase by $284,635,000 above the amount assumed last year. The Veterans' Compensation Rate Increase and Job Training Amendments of 1985, Public Law 99-238, increased compensation benefits to veterans, death and indemnity compensation for spouses and children, and veterans' clothing allowance by 3.1 percent effective December 1, 1985. The estimated cost of that legislation is $272,000,000. An additional $12,635,000 is due to a slightly higher compensation caseload and average cost than previously projected. This increase is offset by lower than anticipated pension and burial workloads and an unobligated balance brought forward from fiscal year 1985. The Committee has included the supplemental budget request of $272,000,000 in the bill to provide the balance of funds required in fiscal year 1986 for the compensation and pensions appropriation.

READJUSTMENT BENEFITS

The Committee recommends the supplemental budget request of $91,000,000 for readjustment benefits in fiscal year 1986. The addi-

tional appropriation is needed to cover a projected shortfall in funding for Vietnam era veterans utilizing their GI Bill benefits, the education training of dependents of deceased or seriously disabled veterans, and seriously disabled veterans seeking specially adapted housing grants. This supplemental appropriation does not restore the sequestration of $39,431,000 due to the Balanced Budget and Emergency Deficit Control Act of 1985.

VETERANS JOB TRAINING

(TRANSFER OF FUNDS)

The Veterans Job Training program was established by the "Emergency Veterans' Job Training Act of 1983" to relieve unemployment among Vietnam and Korean conflict veterans. Under this program, the Veterans Administration pays one-half of the salary of each veteran in training up to 15 months for service-connected veterans and 9 months for other veterans. No more than $10,000 may be paid on behalf on any veteran and training was to commence before March 1, 1985. This legislation has been extended three times—most recently by Public Law 99-238, the "Veterans' Compensation Rate Increase and Job Training Amendments of 1985." That Act further extended the training commencement date to July 31, 1987 and liberalized eligibility.

The Congress appropriated $150,000,000 for this program in the fall of 1983. There is approximately $17,000,000 currently available for this program. To continue this program, the Committee recommends an additional $35,000,000 to be derived by transfer from the construction, minor projects appropriation. At the beginning of 1986, there was an unobligated balance of $279,190,000 in the minor construction account.

FEDERAL HOME LOAN BANK BOARD

LIMITATION ON ADMINISTRATION EXPENSES, FEDERAL HOME LOAN BANK BOARD

The President's 1987 budget proposed a 1986 supplemental request to increase the Federal Home Loan Bank Board's administrative expense limitation by $3,429,000. This increase is intended to cover the costs of 95 additional workyears, primarily for the Office of Examinations and Supervision. The Committee shares the view that oversight of the thrift industry should be strengthened and has included the requested increase of $3,429,000 in the administrative expense limitation.

CHAPTER VI

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

LAND ACQUISITION

(DEFERRAL)

The Committee recommends a deferral of $3,000,000, the amount proposed for rescission by the Administration. The $3,000,000 represents unobligated balances from funds provided in fiscal year 1984 for equalization payments in connection with land exchanges to be carried out under the Navajo-Hopi Relocation Act which are no longer needed. The funds may be used in 1987 to offset other land acquisition costs.

United States Fish and Wildlife Service

RESOURCE MANAGEMENT

The Committee recommends an appropriation of $90,000 to repair a road damaged by activity related to the Duck River Unit of the Tennessee NWR.

LAND ACQUISITION

The Committee recommends a deferral of $4,432,000 of the amount proposed for rescission as R86–57 in the President's message of February 5, 1986. In addition, $519,000 of the amount proposed for rescission from the amount available for acquisition of the Tortuguero Lagoon in Puerto Rico is to be used to acquire approximately 167 acres adjacent to the Little White Salmon National Fish Hatchery in Washington.

National Park Service

OPERATION OF THE NATIONAL PARK SYSTEM

The Committee recommends an appropriation of $13,900,000, an increase of $430,000 over the amount requested. The amount provided includes $3,200,000 to allow the National Park Service to comply with Federal laws and regulations relating to mining in Alaska park areas. Environmental impact statements must be prepared based on a study of the cumulative environmental effects of mining in three areas; and archeological field surveys must be completed on mining claims at 25 diverse locations involving an estimated 9,000 acres in 6 parks.

An additional $770,000 is required for Park Police pension fund requirements. More than 95 percent of the budget for the U.S. Park Police is for personnel services. As a result, this additional expense cannot be absorbed within the level appropriated for fiscal year 1986 without a substantial reduction in law enforcement activities.

For forest fire suppression and rehabilitation of burned areas, the Committee recommends $9,500,000, the budget estimate. This

amount will be used to repay funds borrowed in 1985 from the National Park Service construction appropriation. It includes $3,500,000 for presuppression activities and $6,000,000 spent on 468 fires covering 16,914 acres.

An additional $430,000 is related to additional activity as a follow-on to the Reconnaissance Survey of Western Pennsylvania Roads and Sites prepared by the National Park Service in September, 1985. Included in this amount is $100,000 for resource evaluation, $180,000 for regionwide intergovernmental planning/coordination and $150,000 for a transportation corridor study.

In its budget request, the Administration has proposed the closure of the National Park Service's Pacific Northwest regional office in Seattle. The Committee understands that the process implementing this proposal is already underway, even though Congress has not approved the closure. While the Committee is certainly aware of the need to reduce expenditures in order to meet the requirements of the Gramm-Rudman deficit reduction legislation, we have serious concerns about any proposal that would require the administration of the parks in the Pacific Northwest from another, more distant, regional office. We have therefore included language in the bill prohibiting the expenditure of funds to plan or implement the Administration's proposal, so the Committee can properly review the request in the context of the budget.

The Committee has also included a provision to reestablish and extend for 10 years the Cape Cod National Seashore Advisory Committee. The Secretary of the Interior has not administratively extended the Commission's charter.

LAND AND WATER CONSERVATION FUND

The Committee recommends rescission of $28,710,000 in annual contract authority provided by 16 U.S.C. 460l–10a. This authority has not been used in recent years and there are no plans to use it in fiscal year 1986.

MINERALS MANAGEMENT SERVICE

LEASING AND ROYALTY MANAGEMENT

The Committee recommends an appropriation of $800,000 for late interest payments to States and Indian allottees. The Committee continues to be concerned over the inability of the Minerals Management Service to process royalty management data in a manner which provides for timely payments to States and Indian allottees of their share of revenues realized as a result of leasing minerals on Federal lands. The Committee will continue to monitor the progress of the new minerals management computer system as well as the upgrades proposed by the Minerals Management Service in their reprogramming request in 1984, and expects to see a decline in these payments in the future. The Committee is proposing a definite appropriation rather than the indefinite appropriation proposed by the Administration because it believes this action provides a better incentive to the agency to achieve such decreases.

Office of Surface Mining Reclamation and Enforcement

REGULATION AND TECHNOLOGY

(RESCISSION)

The Committee recommends a rescission of $710,000 in the Regulation and Technology program. Of this amount, $210,000 is for 5 full-time equivalents in the offices of Congressional Liaison, External Affairs, and Public Affairs. The Committee was disturbed to learn that the Office of Surface Mining could not hire the "troubleshooters" for which the Committee had specifically provided funding in fiscal year 1986 because of the Gramm-Rudman-Hollings reductions, yet chose to hire people in the aforementioned offices. The Committee believes the Office of Surface Mining has misplaced priorities in its hiring practices. It is therefore necessary to take this action to achieve the goals and objectives of the Surface Mining Control and Reclamation Act of 1977.

The balance of the rescission, $500,000, was an additional appropriation determined by the Department of the Treasury to be the intent of language included in the fiscal year 1986 Continuing Resolution. The intent of the provision was to provide the Office of Surface Mining with authority to use receipts credited to the General Fund of the Treasury from performance bond forfeitures for reclamation, not to provide additional funding.

Bureau of Indian Affairs

OPERATION OF INDIAN PROGRAMS

The Committee recommends an appropriation of $31,368,000, an increase of $4,868,000 over the requested amount. Included is $25,000,000 to repay funds borrowed from the Construction account to pay for prevention, presuppression and suppression of fires on or threatening forest and range lands on Indian reservations, and the emergency rehabilitation of Indian lands burned by wildfires. Also included is $1,500,000, to be paid into a Treaty Waters Fisheries Management Fund, the interest from which will be available for management operational costs of the Chippewa-Ottawa Treaty Fishery Management Authority. These funds are required as a result of a compromise agreement reached by the parties to litigation. The State of Michigan is also to provide no less than $1,500,000 for Treaty Waters Fisheries Management.

The increase of $4,868,000 will restore the social services program to the 1986 appropriated level. In order to maintain the general assistance and base child welfare assistance program, the Bureau had proposed to take the entire 4.3 percent reduction required in fiscal year 1986 as a result of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) from the Indian Child Welfare Act grants programs. This resulted in a 55 percent reduction to the grants program. Since the non-Indian welfare programs, including AFDC, upon which payments in the BIA general assistance program are based, are exempted from reductions under P.L. 99-177, the Committee believes the same programs for Indians should not be subjected to these reductions. The in-

crease of $4,868,000 will maintain these programs at the 1986 appropriated level.

Territorial and International Affairs

COMPACT OF FREE ASSOCIATION

The Committee recommends an appropriation of $178,750,000, the budget request, to implement the Compact of Free Association, which was enacted into law late in 1985. In addition, the Committee recommends a reappropriation of $50,493,000 provided in the fiscal year 1986 Continuing Resolution, under the "Trust Territory of the Pacific Islands" account, instead of $56,527,000 as proposed by the Administration. These funds were provided for grants to the Federated States of Micronesia ($38,763,000) and the Marshall Islands ($10,941,000), and for the cost of satellite communications in those two locations ($789,000), and will be used to offset the costs of the Compact. The balance of funding, estimated at $98,227,000, will be provided as a permanent indefinite appropriation, for which bill language has been included by the Committee. Thus, total funding of $327,470,000 as required by the Compact will be provided.

RELATED AGENCIES

U.S. DEPARTMENT OF AGRICULTURE

Forest Service

STATE AND PRIVATE FORESTRY

The Committee recommends an appropriation of $161,000 for forest pest management. This will allow the spraying of western spruce budworm in the Carson National Forest, NM, to be carried out at the same level as in fiscal year 1985.

NATIONAL FOREST SYSTEM

The Committee recommends an appropriation of $165,700,000, the budget request, to replenish funds used to fight forest fires during the 1985 fire season.

For fiscal year 1986, funds were appropriated to support a Forest Service Region 6 timber sales program of 4.9 billion board feet of net merchantible timber. With the sequestration ordered pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, a sales program of nearly 4.7 billion board feet of net merchantable timber should still be achievable.

At this time, however, the Forest Service estimates that a program of less than 4.2 billion board feet of net merchantable timber will be achieved in fiscal year 1986. Forest Service statistics for its Region 6 sales program in the first quarter of the fiscal year indicates saies of only 440 million board feet of net merchantable timber, or an accomplishment of less than 10 percent of the sales target over the first 25 percent of the fiscal year.

Since the Committee provided the funds to meet the aforementioned sales target, it expects the Forest Service to do so. The Forest Service should provide monthly reports to the Committee on

the volume of timber offered and sold in Region 6, as well as its projected sales program which will meet the target of approximately 4.7 billion board feet of net merchantable timber. The Forest Service should also report to the Committee on past and current disparities between gross timber sale volumes and net merchantable timber sales volumes.

LAND ACQUISITION

The Committee recommends an appropriation of $4,436,000 for land acquisition at Lake Tahoe. This action is necessary to replace funds unilaterally transferred by the Secretary of Agriculture from land acquisition in the Forest Service to the Animal and Plant Health Inspection Service to eradicate gypsy moth in Oregon.

A separate provision is also included to prevent the Secretary of Agriculture from taking similar action in the future without the prior consent of the Congress.

TIMBER SALVAGE SALES

(DISAPPROVAL OF DEFERRAL)

The Committee disapproves $3,153,000 of the proposed $22,854,000 deferral for the Forest Service Timber Salvage Sale fund. The Committee understands that the Forest Service will use the funds made available by this action to sell additional salvage sales in fiscal year 1986.

DEPARTMENT OF ENERGY

Deferrals in the Department of Energy are being used by the Administration to cancel ongoing projects and activities and override policy decisions of the Congress. For each of those activities the Congress, because of the Supreme Court ruling on one-house vetoes and its effect on the deferral process, has been faced with the necessity of passing legislation which overturns the deferrals and having that legislation signed into law by the President. This process has the effect of making Congress appropriate the same funds twice, a perversion of the original intent of the Impoundment Control Act of 1974 (Public Law 93-344). It is also clear that cancelling ongoing activity through the deferral process has the same effect as rescinding funds. Contracts get cancelled, facilities get shut down, and personnel get laid off. None of this was intended by Congress as part of the Impoundment Control Act. It amounts to a line item veto by the President.

A further distortion of the process by the Administration is the attempted redeferral of funds for construction of the Strategic Petroleum Reserve. These funds were deferred in fiscal year 1985 and that deferral was rejected in the Supplemental Appropriations Act for fiscal year 1985 (Public Law 99-88). A new deferral including a large portion of the same funds was proposed by the Administration. The General Accounting Office has determined that those funds must be made available for obligation and has also notified Congress, as required by law, that it will bring suit under the Impoundment Control Act if necessary to obtain release of the funds.

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The Committee agrees with the GAO opinion and strongly supports its position with regard to the redeferral of funds.

The Committee recommends rejecting all the deferrals in the Department of Energy which deal with programs approved by Congress as part of the Continuing Resolution for fiscal year 1986 (Public Law 99-190). Almost all of these programs have been supported by the Congress over many years and are essential to a balanced energy program.

FOSSIL ENERGY RESEARCH AND DEVELOPMENT

(DISAPPROVAL OF DEFERRAL)

The Committee recommends disapproval of $62,205,000 of the proposed deferral of $64,812,000 for fossil energy research and development. The Committee agrees that $2,607,000 in balances available from prior year recoveries ($1,569,000), unobligated balances ($192,000), and Section 515 deferrals ($846,000) should be deferred.

The Committee plans no action on a rescission of $13,072,000 in this account which was submitted on March 12, 1986, by the President. These funds are also included in the amount proposed for deferral by the President.

ENERGY CONSERVATION

(DISAPPROVAL OF DEFERRAL)

The Committee recommends disapproval of the proposed deferral of $36,782,000 for energy conservation.

The Committee plans no action on a rescission of $9,816,000 in this account which was submitted by the President on March 12, 1986. These funds are also included in the amount proposed for deferral by the President.

STRATEGIC PETROLEUM RESERVE

(DISAPPROVAL OF DEFERRAL)

The Committee recommends disapproval of the proposed deferral of $197,940,825 for the Strategic Petroleum Reserve. Of the amount proposed for deferral, $156,800,000 is budget authority previously proposed for deferral by the President and subsequently made available for obligation by Public Law 99-88. GAO has ruled that these funds must be released for obligation.

This Administration has consistently sought to delay the construction of additional storage capacity for the Reserve, and Congress just as consistently has rejected these Administration proposals. The additional capacity will not be completed until 1989-1990. By that time, imports are projected to be considerably higher than they currently are, and additional capacity will be needed to maintain current levels of protection. Further, daily distribution capacity cannot be enhanced signficantly unless the Big Hill, Texas, site is completed. For these reasons, the Committee recommends disapproving the deferral.

SPR PETROLEUM ACCOUNT

(DISAPPROVAL OF DEFERRAL)

The Committee recommends disapproval of $315,000,000 of the proposed deferral of $577,533,903 for acquisition of oil for the Strategic Petroleum Reserve. Market conditions are such that the purchase of oil for the Reserve will most likely never be cheaper. In addition, capacity now exists to store significant quantities of oil prior to restarting construction of additional storage capacity which the Committee also recommends.

The funds recommended will allow for a fill rate of 100,000 barrels a day for the rest of the calendar year, and language has been included in the bill specifying that rate. The Committee has no objection to filling the Reserve at higher rates and the release of additional funds by the Administration in order to take advantage of low priced oil.

ALTERNATIVE FUELS PRODUCTION

The Committee takes no action on the Administration request of $1,020,360,000 for repayment of principal and interest on notes to the Secretary of the Treasury issued in relation to the Great Plains Gasification Plant. Action is anticipated at a future date.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Health Resources and Services Administration

INDIAN HEALTH SERVICES

The Committee recommends an appropriation of $20,000,000 as follows:

Hospital and health clinic programs	$14,000,000
Alcoholism program	1,100,000
Contract care	4,000,000
Direct operations	900,000
Total	20,000,000

These funds will allow the Indian Health Service to maintain the 1985 program level in the first three programs. The 1985 level, on average, provided 88% of resources necessary for the provision of health services to Indians; without the additional funds, this would have slipped to 83%, on average, in 1986. The reductions proposed to be restored by the Committee do not take into account the reductions already taken under the Balanced Budget and Emergency Deficit Control Act of 1985.

SMITHSONIAN INSTITUTION

National Gallery of Art

SALARIES AND EXPENSES

(TRANSFER OF FUNDS)

The Committee recommends an additional $136,000, to be derived by transfer from the Repair, restoration and renovation of buildings account. These funds will allow the Gallery to fill the five conservation positions approved in the 1986 Continuing Resolution, and to purchase the related conservation equipment.

CHAPTER VII

DEPARTMENT OF EDUCATION

IMPACT AID

The bill includes a supplemental appropriation of $20,000,000 for disaster assistance under section 7 of Public Law 81-874 (Impact Aid). This amount is in addition to $10,000,000 included for this program in the 1986 appropriations Act. Of the $10,000,000 appropriated for 1986, an amount of $430,000 has been sequestered under the Balanced Budget and Emergency Deficit Control Act.

The additional amount of $20,000,000 included in the bill would provide funds to make grants to the unusually high number of local educational agencies that have experienced damages resulting from major natural disasters this year. Applications from local agencies seeking Federal assistance to repair school facilities exceed the fiscal year 1986 appropriation of $9,570,000, the amount available after sequestration. As authorized by the Omnibus Budget Reconciliation Act of 1981, funds appropriated for Section 7 of Public Law 81-874, the impact aid maintenance and operations program, also will be used for Section 16 of Public Law 81-815, the impact aid construction program.

The Committee also recommends language regarding Section 2 payments for fiscal years 1978 through 1985. This language does not involve the appropriation of additional funds. It is designed to preserve the basis on which payments were made, or were to be made, during those years that were computed using local and State real property levies. Section 2 payments provide assistance to local school districts having a partial loss of tax base (10 percent or more of assessed value) as a result of the acquisition of real property by the Federal government.

The bill also includes language to restrict the Department in recovering minimal fiscal year 1978 overpayments to school districts by directing that these recoveries inclusive of interest can only be made through reductions in future year Impact Aid payments to these school districts.

CHAPTER VIII

LEGISLATIVE BRANCH

HOUSE OF REPRESENTATIVES

CONTINGENT EXPENSES OF THE HOUSE

STANDING COMMITTEES, SPECIAL AND SELECT

The Committee has provided $350,000, which is made available due to the requirements of the Committee on Standards of Official Conduct. House Resolution 401, approved March 17, 1986, authorizes these funds. The supplemental is required to fulfill the authorization.

JOINT ITEMS

CONTINGENT EXPENSES OF THE HOUSE

JOINT COMMITTEE ON TAXATION

The Committee has provided $912,000 in supplemental funding for the Joint Committee on Taxation, a reduction of $38,000 under the request. The Joint Committee performs virtually all of the analysis and revenue estimating required on House and Senate tax bills. Since last summer, the Joint Committee has been engaged in extensive analytical studies of the President's tax reform proposals as well as House and Senate tax reform bills and amendments. The 1986 appropriation level is grossly inadequate for the computer-operated models being used for revenue estimating and other purposes related to this work. The supplemental will allow a $301,000 carryover of reimbursements owed to the Treasury Department to be paid and also provide the funds necessary to complete work during this fiscal year for the tax bill currently being considered by the Senate Finance Committee. The Committee notes that the Joint Committee on Taxation has made several improvements in their computer models which have yielded significant efficiency savings.

OFFICIAL MAIL COSTS

The Committee has provided $42,249,000 in supplemental funds for the franked mail of the House and Senate, a reduction of $8,250,000. Additionally, a comprehensive package of new restrictions (outlined below) in the regulations governing the use of the frank by the House of Representatives has been developed by a bipartisan task force and is included in the language of the bill. These restrictions are designed to produce substantial savings. An earlier estimate received from the Postal Service projected approximately $162 million in franked mail expenditures for fiscal year 1986. Through the voluntary efforts of both House and Senate since then as well as the reforms contained herein, the current Committee estimate is approximately $137,949,000. Therefore, a $24,051,000 savings has been projected, which is almost 15% below the earlier

Postal Service estimate. If there are similar reductions proposed in Senate mail estimates, further savings will be possible.

It should be noted that a major cause of the growth in outgoing, franked mail has been the great surge in mail sent to Congress from constituents and other groups who regularly correspond with Members, Committees, and Congressional leadership. Since 1972, there has been an over 1,600 per cent increase in House incoming mail, while the outgoing mail has increased only about 300 per cent, based upon a recent estimate for fiscal year 1986. Postal rate increases in the meantime have accounted for a large portion of the increased costs.

Thus, a supplemental appropriation for fiscal year 1986 is unavoidable. To prohibit the Congress of the United States from sending mail would be tantamount to prohibiting it from doing business. Such an action would be irresponsible.

The regulations established in the bill will be implemented through the administration of Rule XLVI of the House of Representatives and Section 3210 of Title 39, United States Code, and will be supervised by the House Franking Commission. Following is a list of actions included in the bill:

1. Reduce permissible number of postal patron mailings from six to four per calendar year.

2. Maximize use of first class discounts.

3. Limit the number of exempt "Town Meeting Notices" to one per mailing address in a Member's Congressional District for the remainder of 1986. Any notices above that number will count toward the new limit of four postal patron mailings. Notices within regular postal patron newsletters and questionnaires will be permitted.

4. Require that all non-time-value mail be mailed at the lowest postage rate practicable.

5. Require that all mass mailings (regardless of form of address) be submitted to the Franking Commission for a pre-mailing advisory opinion. The principal purpose in submitting mass mailings to the Franking Commission is to assist in compiling quantitative data on the extent of the mail volume and to obtain the Commission's advice on the lowest rate applicable in order to reduce costs. With regard to the amendment to Rule XLVI requiring that all mass mailings be submitted to the Franking Commission for a pre-mailing advisory opinion, it is not the Committee's intent to require that mailings being sent in response to incoming mail be submitted to the Commission. The intent is to extend the coverage of the existing provision of Rule XLVI—which requires that "postal patron" newsletters be so submitted—to all unsolicited, self-generated mass mailings. (The term "mass mailing" is defined in section 3210a(6)(E) of title 39, United States Code, as "newsletters and similar mailings of more than five hundred pieces in which the content of the matter mailed is substantially identical but shall not apply to mailings—

"(i) which are in direct response to communications from persons to whom the matter is mailed;

"(ii) to colleagues in the Congress or to government officials (whether Federal, State, or local; or

"(iii) of news releases to the communications media".)

6. Continue the program of voluntary restraints initiated in December 1985.

7. Limit the number of self-generated, individually addressed mailings (bearing first class postage) which can be sent each year.

ARCHITECT OF THE CAPITOL

CAPITOL BUILDINGS

The Committee has provided $8,000,000, to remain available until expended and without regard to section 3709 of the Revised Statutes, to immediately begin the replacement of 36 PCB transformers that are located within Capitol Hill buildings due to the potential hazards of a PCB spill or fire. Environmental Protection Agency regulations covering the disposal of hazardous PCB's require the replacement of these transformers. The Committee directs the Architect of the Capitol to prepare a replacement schedule for these 36 transformers, reflecting the construction and cost plan. This plan should be provided to the Committee before work commences.

CAPITOL POWER PLANT

The Committee has provided $1,583,000 to the Capitol Power Plant for the payment of electrical energy usage to the Potomac Electric Power Company. The estimate submitted was $2 million. The amount made available is based upon the official estimate supplied by the Architect of the Capitol of a 302 million kilowatt hour requirement. A supplemental is necessary because there are insufficient funds in the base fiscal year 1986 budget since a similar shortage in fiscal year 1985 was made up through absorption from other items. Current consumption data and fuel adjustment rates, together with reductions already made in other areas because of the Gramm-Rudman requirements, make a comparable absorption in this account for fiscal 1986 impossible.

CHAPTER IX

DEPARTMENT OF TRANSPORTATION

Office of the Secretary

SALARIES AND EXPENSES

In this time of fiscal austerity and requests for continued program reductions throughout the Department of Transportation, the Committee believes a complete analysis of certain expenditures within the Office of the Secretary is warranted. The Committee, therefore, directs the Secretary of Transportation to provide the following information by May 1, 1986:

(1) A listing of political appointees that were on board at the Department at the end of the fiscal years between 1979 and 1985, inclusive; and for fiscal year 1986 on March 15, 1986. This listing should show the operating administration to which

each political appointee was assigned, as well as the position title and salary for each.

(2) A table showing the number of political appointees versus the number of career civil service employees on board at the end of each of the above fiscal years, and the percent change between years, for the Departments of Transportation, State, Treasury, Justice, and Commerce.

(3) A report on the Department's compliance with the findings of the General Accounting Office (GAO Report #GGD–85–76) regarding the unauthorized use of 14 government vehicles to transport officials of the Department of Transportation between their residences and their places of employment. The report should include the names and titles of those officials who were receiving such unauthorized transportation and the date when this unauthorized transportation was terminated. The report should also detail the current disposition of the 14 government vehicles that were used to provide the unauthorized transportation, as well as the purchase date and price, the make and model, and the annual operating costs of each vehicle.

(4) A detailed breakdown, for each of the fiscal years 1979 through 1985, and estimates for fiscal years 1986 and 1987, of total expenses for operating and maintaining the Secretary's dining facility. This breakdown should include a listing of all personnel used to operate the facility, including job descriptions and salary information; the amount of reimbursements paid by users of the facility; a detailed description of the methodology used to price food served at or by the facility; the percentage change in prices charged for food and in reimbursements; and the revenue/cost ratio of food served at this facility for each of the above fiscal years.

Coast Guard

OPERATING EXPENSES

The bill includes an additional $35,500,000 for operating expenses of the Coast Guard. These funds will provide for a sufficient restoration of the 4.3 percent sequestration required by the Balanced Budget and Emergency Deficit Control Act of 1985.

Federal Aviation Administration

OPERATIONS

The Committee recommends an additional $85,000,000, including $5,000,000 to be derived by transfer, for the operations activities of the Federal Aviation Administration (FAA). This would bring the total amount provided for FAA operations to $2,663,732,000 in fiscal year 1986. The Committee believes these funds are required for the continued safe and efficient operation and maintenance of the air traffic control and air navigation systems.

Last December the conferees on the Continuing Resolution (H.J. Res. 465) directed the FAA to submit a report within 15 days after enactment of the resolution showing the allocation of the operating

funds provided in the conference agreement. The conferees also directed the FAA to report to the House and Senate Committees on Appropriations if the amount provided would not support 14,806 air traffic control positions. Although the directed report regarding the allocation of funds has not been received, the Secretary of Transportation has indicated that, unless an $80,000,000 supplemental is provided, the 4.3 percent March 1 sequestration will require furloughs of FAA employees. In addition, the FAA Administrator has indicated that the agency's funding, recruitment and training plans are geared to reaching an employment level of 14,480 air traffic controllers by September 30, 1986. This is 326 fewer controllers than the conferees directed.

The Committee recommendation includes $80,000,000 to avoid the potential morale, safety and efficiency impacts of a furlough of FAA employees and $5,000,000 to increase the air traffic controller staff to 14,806 positions as directed last December. The Committee believes an accelerated air traffic controller recruitment and training effort is warranted, particularly in view of the recent General Accounting Office report concluding that the FAA has not met its staffing goals for fully qualified controllers at many air traffic facilities and that the growth in air traffic activity has caused controllers at these facilities to be stretched too thin. However, the Committee recognizes that it will take several years for these newly hired controllers to reach "full performance" level and, therefore, expects the FAA to continue to monitor closely air traffic activity and to impose restrictions on air traffic if necessary to maintain a proper margin of safety.

Federal Highway Administration

LIMITATION ON GENERAL OPERATING EXPENSES

The Committee directs that a study be conducted to identify and assess measures to improve the safety and operational characteristics of three extremely hazardous segments of the Capital Beltway: (1) the outer loop from I-95 in Virginia to I-295 in Maryland, where the beltway narrows from four to three lanes, (2) the outer loop and inner loop between Colesville Road and I-270 in Maryland, where the beltway narrows from four to three lanes, and (3) the outer loop from River Road in Maryland to Georgetown Pike in Virginia, where the beltway narrows from four to three lanes. Any general recommendations that can be made to improve the overall safety of the Capital Beltway shall be included in the study.

Such study shall be carried out in cooperation with the Commonwealth of Virginia and the State of Maryland, using unexpended funds earmarked in House Report 99-256 for an Outer Beltway study in Virginia, and shall be submitted to the House and Senate Appropriations Committees no later than September 30, 1986.

RELATED AGENCY

PANAMA CANAL COMMISSION

OPERATING EXPENSES

The bill includes an additional $20,000,000 for operating expenses of the Panama Canal Commission. These funds are, for the most part, a restoration of the 4.3 percent sequestration required by the Balanced Budget and Emergency Deficit Control Act of 1985.

CHAPTER X

DEPARTMENT OF THE TREASURY

INTERNAL REVENUE SERVICE

The Committee recommends an appropriation of $340,000,000, the full amount of the Administration request, and also recommends inclusion of language permitting the transfer of funds between Internal Revenue Service appropriation accounts.

The Committee notes that last year in the Treasury, Postal Service and General Government Appropriations Act, 1986, the Committee reported and the House passed a bill which provided funds in excess of the President's budget request because the Committee's review and analysis indicated that the Internal Revenue Service was under-funded. As late as last fall the Administration was still expressing opposition to the higher amount for IRS that the House had included in the Treasury bill. After the bill was vetoed by the President, funding for the IRS was reduced to bring the bill within a level of funding acceptable to the Administration. The Administration has now reversed it's position and has requested additional funding and additional positions for the Service.

The Committee recommendation includes $194,564,000 for processing tax returns. The availability of these funds should enable the Internal Revenue Service to process refunds on a timely basis and prevent the type of breakdown in the tax processing system that occurred last year. It will enable the Service to improve the quality of processing operations across-the-board by enhancing review of oversight; assure quality control; increase key verification of tax return data; step up the monitoring and control of refund returns; and increase computer room staffing at our ten service centers to provide for continuous 24-hour-a-day, seven-day-week operation. In addition, resources are provided to clear up inventories of unpostable accounts, adjustments and taxpayer correspondence, and also to compensate for the decline in recall and retention of experienced seasonal employees.

The Committee recommendation includes $68,706,000 to begin hiring additional revenue agents for a new revenue initiative; improve the quality of tax examination by accellerating settlement of unresolved tax shelter cases.

The Committee recommendation includes $76,730,000 most of which is to enable the Service to expand and improve service to the taxpayers. This includes funds to cover toll free circuitry and to

phase in the capability for on-line, immediate tax account adjustments—resolving difficulties and avoiding repeat notices and calls.

UNITED STATES CUSTOMS SERVICE

The Committee recommends a supplemental appropriation of $30,831,000, for salaries and expenses and $3,225,000 for the Air Interdiction program, the full amount necessary to restore the Gramm-Rudman-Hollings budget reduction. The Committee has also inserted language which mandates the maintaining of the current level of services and establishes a limitation on the minimum number of Customs personnel for fiscal year 1986.

The Committee has provided funding to restore the 777 positions that would have been eliminated by Gramm-Rudman-Hollings budget reductions. The Committee believes that the high level of drug abuse and related crime in this country requires a strong law enforcement effort to stem the tide of illicit drugs coming into the United States. The Gramm-Rudman-Hollings reduction would also slow down the processing of visitors to the country and of our own citizens returning from abroad. Further, this reduction would also slow down the processing of commercial goods being imported to the United States. But most importantly, the Gramm-Rudman-Hollings reduction would have a severe adverse impact on the government's ability to interdict the flow of illegal drugs and other contraband being smuggled into the country.

The Committee is aware of the recent proposal announced by the Commissioner of Customs to eliminate government provided Customs services at airports outside of a single shift from 8:00 AM to 5:00 PM. Required Customs services outside of this one shift would be available only on a reimbursable overtime basis to be paid for by the private sector.

The Commissioner is directed to take no action to implement this proposal or any other to reduce the hours and levels of service currently provided by the Customs Service at airports of entry during this fiscal year. It is intended that, consistent with Custom's practice established in prior fiscal years, the staffing levels and hours of Customs service provided at airports of entry may be adjusted to meet demands arising from seasonal increases in air travel. The necessity for a future modification of these long established policies will be explored during the ongoing appropriations process for FY 1987.

The Committee directs that the Customs Service hire the additional authorized personnel and, in allocating the additional positions provided by this appropriation, give the highest priority to allocating those positions in accordance with the priorities outlined in House Report 99-210, Senate Report 99-133 and the Conference Report (House Report 99-349) accompanying the Treasury, Postal Service and General Government Appropriations Act, 1986 (HR 3036).

TITLE II

GENERAL PROVISIONS

Title II of the bill contains general provisions.

Section 201 provides that section 1013 of the Impoundment Control Act of 1974 will not be applicable to appropriations in this or subsequent Appropriations Acts. The authority to establish reserves provided in section 1002 of the Impoundment Control Act is not affected by this proposal.

Section 202 provides that none of the funds appropriated by this or any other Act to carry out part A of title IV of Public Law 92-318 (Indian Education Act) may be expended in violation of the provisions of H. Con. Res. 276 of the Ninety-ninth Congress.

Section 203 provides that none of the funds in this Act, or any other Appropriations Act for fiscal year 1986, may be used to implement changes to OMB Circular A-21 made subsequent to February 11, 1986.

A proposed revision of the circular was published in the Federal Register on February 12, 1986, and involves major changes having a significant fiscal impact on the Nation's institutions of higher education. The losses to institutions could amount to hundreds of millions of dollars annually.

The Committee believes that any significant changes to the circular should be as a result of consultation with representatives of the affected institutions. The prohibition recommended for fiscal year 1986 is intended to allow time for such consultations.

Section 204 provides that none of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing certain new regulations regarding the 1986 Combined Federal Campaign.

The committee intends that the regulations used to conduct the successful Combined Federal Campaigns for 1984 and 1985 (49 Fed. Reg. 32735 (August 16, 1984)) shall be used again to conduct the 1986 Campaign, or that at a minimum, the charitable organizations which received contributions or participated in past campaigns shall be allowed to participate again in 1986. This will avoid any disruption in the timely planning and orderly implementation of this year's campaign.

Section 205 carries the usual prohibition against the obligation of funds provided in the bill beyond the current fiscal year as follows:

> *SEC. 205. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.*

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

The bill provides for rescission and deferral of funds previously provided in Appropriation Acts and recommends disapproval of some deferrals. These might be construed as legislative provisions. Rescissions are listed separately in this report.

In connection with the Department of Agriculture:

LIMITATION ON TRANSFER OF FUNDS

Funds made available to the Department of Agriculture in Appropriations Acts shall be made available only for the purposes for which appropriated unless the transfer of funds from such accounts is provided in advance in Appropriations Acts.

In connection with the Department of Agriculture:

The Secretary shall immediately conduct a study of the reports of contaminated milk and milk products in the States of Arkansas, Missouri, and Oklahoma, and report on such contamination and the estimated losses suffered by dairy farmers and processors to the appropriate committees of Congress by April 15, 1986.

In connection with the Commodity Supplemental Food Program, Department of Agriculture:

The Secretary shall return to the Commodity Supplemental Food Program from the Commodity Credit Corporation, $3,950,000, which had been transferred to the Corporation from the Program.

In connection with the Commodity Credit Corporation, Department of Agriculture:

SEC. 1. Since the agricultural economy is the foundation of our Nation's economic strength and since widespread foreclosure and bankruptcy is upon the Nation's farmers, it becomes apparent that the drain on the economy plus the danger of the Nation's stocks of food being caught in short supply make it essential that farmers look to the purchaser instead of the United States Treasury for a fair purchase price for basic farm commodities for domestic use. The Secretary should return as soon as possible to a farm program available under the Charter of the Commodity Credit Corporation and other law, as was spelled out in section 105 of H.J. Res. 465, which passed the House but died in conference in the first session of the 99th Congress.

SEC. 2. Funds available to the Secretary shall be available only to implement a conservation reserve program which limits payments to land which has been devoted to the production of either basic agricultural commodities or major crops, such as feed grains and soybeans, during crop years 1984 and 1985; in carrying out this program, the Secretary shall give priority to farm producers and ranchers over absentee landowners and shall contract for no more than 50 per centum of the land owned or operated by any one individual; further, the total amount of rental payments, including rental payments made in the form of in-kind commodities, made to an owner or operator under this subtitle for any fiscal year may not exceed $25,000 and the payment per acre may not exceed one-third of the value of the preceding year's production.

SEC. 3. Effective for fiscal year 1987 and thereafter, funds available to the Commodity Credit Corporation may be

used to carry out the programs of the Federal Crop Insurance Corporation only to such extent or in such amounts as provided in advance in Appropriations Acts.

CITRUS CANKER

SEC. 4. In order to prevent extensive damage to the Nation's citrus industry and prevent a disruption of national and international commerce in citrus fruits, the Secretary of Agriculture shall use his authority under existing law to transfer not to exceed $14,000,000 from the Commodity Credit Corporation to the Animal and Plant Health Inspection Service to honor a commitment through a cost-sharing program between the Department of Agriculture and the State of Florida, to (1) compensate for infected nursery stock destroyed in fighting the outbreak of citrus canker—a bacterial disease which causes extensive damage to citrus fruits—found in Florida, in 1984, and (2) to cover current and continuing operating expenses of a citrus canker eradication and control program.

Any funds previously transferred to the citrus canker program, from accounts other than the Commodity Credit Corporation, shall be immediately returned to the account from which transferred.

Furthermore the Secretary of Agriculture shall use his authority under existing law to transfer $5 million from the Commodity Credit Corporation to the Cooperative State Research Service to meet the matching funds requirement for development of an international trade center at Oklahoma State University.

AVIAN INFLUENZA

SEC. 5. In order to prevent widespread damage to the Nation's poultry industry, the Secretary shall use not to exceed $10,000,000 from the Commodity Credit Corporation to control and eradicate avian influenza.

FARM PROGRAMS

As authorized by existing law, in order to protect the national economy, to prevent the destruction of much of the agricultural industry, to keep farmers engaged in farming, and to prevent a further drastic decline in land values, those persons who were engaged in agricultural production of basic commodities in calendar year 1985, and who have made a bona fide effort for the last two years to meet their financial obligations to the Farmers Home Administration should, upon a showing of inability to obtain financing from private sources, be eligible for a production loan from the Farmers Home Administration, whether such persons had been a prior borrower from the Farmers Home Administration or from private sources, and their debt, including principal and interest, if with the Farmers Home Administration, should be deferred for 1986 and for such addition-

al period as it may take to determine what part of their present debt is the result of Government embargoes declared in 1973, 1974, 1975, 1980, and what part of their debt is due to a virtual embargo due to failure to offer surplus commodities in world trade at competitive prices since 1980.

The Administrator of the Farmers Home Administration should complete a determination by April 1, 1986, on a case-by-case basis, of farmers who are unable to continue making payments of principal and interest due to circumstances beyond their control and, thereby, qualify for assistance under this provision.

In connection with the Department of Commerce, Economic Development Administration, "Economic Development Assistance Programs":

Of the total amount appropriated and available under this head in Public Law 99-180, $790,000 shall be obligated to supplemental funds allocated pursuant to Sec. 108(a)(2) of Public Law 99-190.

Of the total amount appropriated and available under this head in Public Law 99-180, $791,000 shall be obligated to supplemental funds allocated pursuant to Sec. 108(a)(5) of Public Law 99-190.

In connection with the Department of State, Administration of Foreign Affairs: "Salaries and Expenses", "Acquisition and Maintenance of Buildings Abroad" and "Counterterrorism Research and Development":

SALARIES AND EXPENSES

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "Salaries and expenses", $237,494,000, to remain available until September 30, 1987: Provided, That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales.

ACQUISITION AND MAINTENANCE OF BUILDINGS ABROAD

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for an additional amount for "Acquisition and Maintenance of Buildings Abroad", to be available subject to the approval of the House and Senate Committees on Appropriations under said Committees' policies concerning the reprogramming of funds contained in Public Law 99-180, $454,532,000, to remain available until expended: Provided, That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for

International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales.

COUNTERTERRORISM RESEARCH AND DEVELOPMENT

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956, for necessary expenses for "Counterterrorism Research and Development", $10,000,000, to remain available until September 30, 1987: Provided, That such funds shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales.

In connection with the Department of State, Other, "The Asia Foundation":

Notwithstanding section 15(a) of the State Department Basic Authorities Act of 1956

In connection with "Corps of Engineers, Construction, General":

Using available funds, the Secretary of the Army shall take such actions as may be necessary to remedy slope failure and erosion problems along the Tombigbee River in Alabama in order to protect the Highway No. 39 Bridge at Gainesville, Alabama, at an estimated cost of $1,500,000. Such actions shall be coordinated with the State of Alabama: Provided, That using available funds, $1,400,000 shall be available to initiate construction at Mount St. Helens, Washington.

In connection with "Department of Energy, Atomic Energy Defense Activities":

Provided, That the transfer of funds provided in this paragraph shall not become available for such transfer until 30 days after the Committees on Appropriations of the House of Representatives and the Senate receive from the Department of Defense a list of the specific sources of funds to be used for such transfer.

In connection with the Department of Defense:

Of the funds previously appropriated or made available for research, development, test and evaluation for the Department of the Air Force and for the Defense Agencies for fiscal year 1986 pursuant to Public Law 99-190, the Secretary of the Air Force shall provide a grant or contribution of $13,500,000 for research activities, construction of research related facilities and for other related purposes at Northeastern University in Massachusetts identified in House Report 99-450 and the Secretary of Defense shall provide a grant or contribution of $11,100,000 for research activities, construction of research related facilities and for

other related purposes at the Rochester Institute of Technology at Rochester, New York identified in House Report 99-450.

In connection with the Agency for International Development, "Economic Support Fund":

Of the funds made available for the "Economic Support Fund" in Public Law 99-190, not less than $50,000,000 shall be made avaiable for the United States contribution to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland.

In connection with the Environmental Protection Agency, "Hazardous substance response trust fund":

Language under this heading in Public Law 99-160 is amended by deleting "as amended, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), $900,000,000, to be derived from the Hazardous Substance Response Trust Fund," and inserting in lieu thereof "including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), $900,000,000, of which $750,000,000 shall be derived from the Hazardous Substance Response Trust Fund and $150,000,000 shall be derived from an advance from the general fund of the Treasury to the Hazardous Substance Response Trust Fund to be repaid in accordance with section 223(c)(3) of Public Law 96-510 and notwithstanding section 223(c)(2)(D) of Public Law 96-510,"

In connection with "Administrative provisions", National Park Service:

None of the funds made available by this or any other Act may be used to plan or implement the closure of the Pacific Northwest Regional Office in Seattle, Washington: Provided, That the Cape Cod National Seashore Advisory Commission established under Section 8(a) of the Act of August 7, 1961 (P.L. 87-126; 75 Stat. 292) is reestablished and extended through February 28, 1996.

In connection with "Operation of Indian programs", Bureau of Indian Affairs:

Provided, That these funds shall be made available to COTFMA after receipt and approval by the Secretary of the Interior or his designated representative of an investment plan for establishing a fund, which shall be invested at interest: Provided further, That only the interest income from such fund is to be available for fisheries management activities by the Chippewa-Ottawa Treaty Fishery Management Authority: Provided further, That funds appropriated hereunder shall be repaid to the Federal government after a fifteen (15) year period: Provided further, That should the Chippewa-Ottawa Treaty Fishery Management Authority dissolve at any time during the fifteen (15) year period,

funds appropriated hereunder shall immediately be repaid to the Federal government.

In connection with "Compact of free association", Territorial and International Affairs:

Provided, That $50,493,000 of the amount made available to the "Trust Territory of the Pacific Islands" appropriation pursuant to Public Law 99-190 shall be considered to have been made available for the purposes of this appropriation for fiscal year 1986 and expended as provided for by the Compact of Free Association: Provided further, That for purposes of economic assistance as provided pursuant to the Compact, the effective date of the Compact shall be October 1, 1985.

In connection with "Administrative provisions", Forest Service:

Provisions of 7 USC 147(b) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.

In connection with "SPR petroleum account", Department of Energy:

Notwithstanding any other provision of law, upon enactment into law of this bill the minimum required rate of fill is 100,000 barrels a day until the funds made available by this Act are expended.

In connection with "Impact Aid", Department of Education:

Provided, That payments made under section 2 of said Act for the fiscal years 1978 through 1983, which were based on entitlements that included State-levied real property taxes, shall stand: Provided further, That in a State where a portion of an existing local real property tax levy had been assumed and levied by the State as a real property tax, that these State taxes shall be allowed in the computation of entitlements under section 2 of said Act for the fiscal years 1984 and 1985: Provided further, That recovery of any overpayments to any school district of less than $5,000 arising out of payments made under said Act for fiscal year 1978 shall be obtained only from any future year payments to such school district under said Act.

In connection with "Official mail costs", Legislative Branch:

: Provided, That clause 1 of Rule XLVI of the Rules of the House of Representatives is amended by adding at the end the following: "Any franked mail which is mailed by a Member at the equivalent first-class rate shall be prepared and mailed so as to qualify for the lowest first-class rate practicable. A Member shall not use the equivalent priority mail rate for franked mail, unless the matter to be mailed is inherently time sensitive.": Provided further, That the first sentence of clause 2 of such Rule is amended—

(1) by striking out "December 31, 1977" and inserting in lieu thereof "April 30, 1986"; and

(2) by striking out "six" and inserting in lieu thereof "four": Provided further, That clause 3 of such Rule is amended—

(1) by striking out "section 3210(d) of"; and

(2) by striking out "any such mailing" and inserting in lieu thereof "any mass mailing": Provided further, That clause 4 of such Rule is amended by striking out "3210(e)" and inserting in lieu thereof "3210(d)": Provided further, That clause 5 of such Rule is amended by striking out "statewide" and inserting in lieu thereof "other": Provided further, That notwithstanding the second sentence of clause 2 of Rule XLVI of the Rules of the House of Representatives, for the period beginning on May 1, 1986, and ending on December 31, 1986, any mail matter which relates to a notice of appearance or a scheduled itinerary of a Member in the area from which such Member was elected shall count against the limitation under such clause, except that, for such period, there shall be exempt from counting against the limitation for a Member a total number of pieces of franked mail matter which relates solely to such a notice or itinerary which does not exceed the total number of addresses in such area. A Member may include in a newsletter matter which relates to a notice of appearance or scheduled itinerary: Provided further, That notwithstanding any Rule of the House of Representatives, for the period beginning on May 1, 1986, and ending on September 30, 1986, the total number of pieces of franked mail which are sent by a Member at the equivalent first-class rate and are not sent in direct response to an inquiry or request shall not exceed the total number of addresses in the area from which such Member was elected.

In connection with the "Internal Revenue Service, Department of the Treasury":

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

SEC. 1. Notwithstanding any other provision of this title, any appropriations made available to the Internal Revenue Service for the current fiscal year may be transferred to any other Internal Revenue Service appropriation to the extent necessary for increased pay costs authorized by law.

SEC. 2. Not to exceed 5 per centum of any appropriation made available to the Internal Revenue Service for the current fiscal year may be transferred to any other Internal Revenue Service appropriation.

In connection with the "U.S. Customs Service, Department of the Treasury":

Provided, That no funds appropriated by this or any other Act may be used to implement single eight hour shifts at airports and that all current services as provided by the Customs Service shall continue through September 30, 1986: Provided further, That none of the funds made available by this or any other Act shall be available for administrative expenses to reduce the personnel level of the Customs Service during fiscal year 1986 below an average of 14,041 full time equivalent positions.

In connection with "General provisions":

SEC. 201. Section 1013 of the Budget and Impoundment Control Act (31 USC 1403) shall not apply to funds herein and subsequently appropriated.

In connection with "General provisions":

SEC. 202. None of the funds appropriated by this or any other Act to carry out part A of title IV of Public Law 92-318 (Indian Education Act) may be expended in violation of the provisions of H. Con. Res. 276 of the Ninety-ninth Congress.

In connection with "General provisions":

SEC. 203. None of the funds in this Act, or any other Appropriations Act for fiscal year 1986, may be used to implement changes to OMB Circular A-21 made subsequent to February 11, 1986.

In connection with "General provisions":

SEC. 204. None of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing new regulations dealing with organization participation in the 1986 Combined Federal Campaign other than repromulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in the 1986 campaign.

CHANGES IN THE APPLICATION OF EXISTING LAW

Pursuant to clause 3 of rule XXI of the House of Representatives, the following statements are submitted describing the effect of provisions in the accompanying bill which directly or indirectly change the application of existing law.

The bill provides that certain appropriation items remain available for more than one year where programs or projects are continuing in nature under the provisions of authorizing legislation but for which that legislation does not specifically authorize such extended availability. Most of these items have been carried in previous appropriation bills. This authority tends to result in savings by preventing the practice of committing funds at the end of the fiscal year.

Language is included in various parts of the bill to continue ongoing activities of those Federal agencies which require annual au-

thorization or additional legislation, which to date has not been enacted.

The bill includes a number of provisions which place limitations on the use of funds in the bill or change existing limitations and which might, under some circumstances, be construed as changing the application of existing law.

Language is included in the bill for certain transfers, rescissions and deferrals of funds previously provided in appropriation bills and disapproval of certain deferrals.

Reference is also made to the preceding section in this report entitled "Limitations and Legislative Provisions" which the Committee has traditionally provided.

Language is included which provides that funds made available to the Department of Agriculture in Appropriations Acts shall be available only for the purposes for which appropriated unless the transfer of funds from accounts is authorized in advance in Appropriations Acts.

Language is included for the Commodity Credit Corporation which calls on the Secretary of Agriculture to return to a farm program as was spelled out in section 105 of H.J. Res. 465.

Language is included which requires the Secretary to implement a conservation reserve program which limits payments under certain conditions.

Language is included requiring the Secretary of Agriculture to report to the Congress by April 15, 1986, on the estimated losses suffered by dairy farmers and producers in the States of Arkansas, Missouri, and Oklahoma.

Language is included for the Commodity Supplemental Food Program directing the Secretary to restore $3,950,000 to the program which had been transferred to the Commodity Credit Corporation.

Language is included for the Federal Crop Insurance Corporation to provide that effective for fiscal year 1987, funds may be transferred to the Corporation from the Commodity Credit Corporation only to the extent and in the manner provided in advance in Appropriations Acts.

Language is included which requires the Secretary to transfer funds from the Commodity Credit Corporation to the Animal and Plant Health Inspection Service for cost-sharing under the citrus canker program.

Language is also included which provides that any funds previously transferred to the citrus canker program, from accounts other than the Commodity Credit Corporation, shall be immediately returned to the account from which transferred and the Secretary of Agriculture shall use his authority under existing law to transfer $5 million from the Commodity Credit Corporation to the Cooperative State Research Service to meet the matching funds requirement for development of an international trade center at Oklahoma State University.

Language is included which requires the Secretary to use not to exceed $10,000,000 of Commodity Credit Corporation funds to control and eradicate avian influenza.

Language is included for the Farmers Home Administration which provides that the Department should defer principal and interest for those farmers who have made a bona fide effort to meet

their obligations and the Administrator should complete a determination by April 1, 1986, of those farmers who are unable to continue making payments of principal and interest due to circumstances beyond their control.

Language is included under Department of Commerce, Economic Development Administration, "Economic Development Assistance Programs", which provides that of the total amount appropriated and available for this program in Public Law 99-180, $790,000 shall be obligated to supplement funds allocated pursuant to section 108(a)(2) of Public Law 90-190, and $791,000 shall be obligated to supplement funds allocated pursuant to section 108(a)(5) of Public Law 99-190.

Language is included under Department of State, Administration of Foreign Affairs: "Salaries and Expenses", "Acquisition and Maintenance of Buildings Abroad", and "Counterterrorism Research and Development", which waives section 15(a) of the State Department Basic Authorities Act of 1956 in each instance. Language is also included in the bill for these three appropriation accounts which provides that the funds provided in the bill for each account for the Department of State's Diplomatic Security Initiative shall be derived by transfer from funds previously appropriated or made available to the Department of Defense, or from unearmarked funds appropriated or made available to the President for International Financial Institutions, the Economic Support Fund, the Military Assistance Program, and for Foreign Military Credit Sales.

Language is included in the bill under Department of State, Administration of Foreign Affairs, "Acquistion and Maintenance of Buildings Abroad" which makes the availability of the funds subject to the reprogramming procedures of the House and Senate Committees on Appropriations which are contained in Public Law 99-180.

Language is included in the bill under Department of State, Other, "The Asia Foundation" which waives section 15(a) of the State Department Basic Authorities Act of 1956.

Language is included under the Department of Energy which requires the Department of Defense to transfer certain funds to the Department of Energy and restricts the availability of the funds until 30 days after the Committees on Appropriations of the House of Representatives and the Senate receives from the Department of Defense a list of the specific sources of funds to be used for such transfer.

Language is included under the Department of Defense—Civil directing the Secretary of the Army, using available funds, to take necessary action to remedy slope failure and erosion problems along the Tombigbee River in Alabama, and initiate construction at Mount St. Helens in Washington.

Language is included which ensures that previously appropriated funds provided to the Defense Department for research and related purposes as identified in House Report 99-450 will be used for the purposes for which they were provided.

Language is included under the Agency for International Development, "Economic Support Funds" which earmarks $50,000,000 in funds appropriated under Public Law 99-190 for the United States

contribution to the International Fund established pursuant to the November 15, 1985, agreement between the United Kingdom and Ireland.

Language is included under the Environmental Protection Agency, Hazardous Substance Response Trust Fund, that provides for a $150,000,000 repayable advance for Superfund.

Language included in the bill under the National Park Service, Administrative provisions, provides for the reestablishment of the Cape Cod National Seashore Advisory Commission through February 28, 1996.

Language is included under the Bureau of Indian Affairs, Operation of Indian programs, which provides the terms under which funds shall be provided in settlement of fishery litigation.

Language is included under Administrative provisions, Forest Service, to prohibit transfers from appropriations available to the Forest Service without advance approval of the House and Senate Committees on Appropriations.

Language included under SPR Petroleum account provides for a minimum required rate of fill of 100,000 barrels a day.

Language is included for the Department of Education which clarifies the determination of entitlements under section 2 of the Impact Aid Program and provides a method for recovery of certain overpayments made under this program.

Language is included in the bill which amends Rule XLVI of the House of Representatives and which establishes regulations covering limitations on the use of the frank.

Language is included which provides that contracts may be awarded without regard to section 3709 of the Revised Statutes, as amended.

Language is included which authorizes increased reimbursements to the Capitol Power Plant for heating and cooling supplied to non-legislative branch agencies.

Language is included in the bill under the Department of the Treasury which permits the Internal Revenue Service to transfer funds related to pay costs among appropriations and which also permits the Internal Revenue Service to transfer funds between operating appropriations.

Language is included which prohibits Customs from implementing single shifts at airports and from reducing current services and has also inserted a legislative provision which prohibits Customs from reducing Customs personnel below a certain level. The Committee has also recommended an appropriation of $30,831,000 for salaries and expenses and $3,225,000 for this Air Interdiction program. Authorizing legislation has not yet been enacted for those accounts.

GENERAL PROVISIONS

Language is included which provides that section 1013 of the Budget and Impoundment Control Act (31 U.S.C. 1403) shall not apply to funds herein and subsequently appropriated.

Language is included which provides that none of the funds appropriated by this or any other Act to carry out part A of title IV of Public Law 92-318 (Indian Education Act) may be expended in

violation of the provisions of H. Con. Res. 276 of the Ninety-ninth Congress.

Language is included which provides that none of the funds in this Act, or any other Appropriations Act for fiscal year 1986, may be used to implement changes to OMB Circular A–21 made subsequent to February 11, 1986.

Language is included which provides that none of the funds appropriated by this Act or any other Act shall be used for preparing, promulgating or implementing new regulations dealing with organization participation in the 1986 Combined Federal Campaign other than repromulgating and implementing the 1984 and 1985 Combined Federal Campaign regulations, unless such regulations provide that any charitable organization which participated in any prior campaign shall be allowed to participate in the 1986 campaign.

RESCISSIONS

Pursuant to Clause 1(b), Rule X of the House of Representatives, the following table is submitted describing the rescissions recommended in the accompanying bill.

RESCISSIONS RECOMMENDED IN THE BILL

Department and activity	Amounts recommended for rescission
CHAPTER VI	
Department of the Interior	
National Park Service	
Land and Water Conservation Fund	−$28,710,000
Office of Surface Mining Reclamation and Enforcement	
Regulation and Technology	−710,000

TRANSFER OF FUNDS

Pursuant to Clause 1(b), Rule X of the House of Representatives, the following table is submitted describing the transfer of funds provided in the accompanying bill.

The table shows, by chapter, by Department, and agency, the appropriations affected by such transfers.

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
CHAPTER I—AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES			
Department of Agriculture:		Department of Agriculture:	
Animal and Plant Health Inspection Service:		Commodity Credit Corporation:	
Citrus canker	14,000,000		
Avian influenza	10,000,000	Commodity Credit Corporation	24,000,000
Cooperative State Research Service	5,000,000	Commodity Credit Corporation	5,000,000

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL—Continued

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
Food and Nutrition Service Commodity Supplemental Food program.	3,950,000	Commodity Credit Corporation	3,950,000
Agricultural Stabilization and Conservation Service: Salaries and expenses.	71,598,000	Commodity Credit Corporation	71,598,000
CHAPTER II—COMMERCE, JUSTICE AND STATE, THE JUDICIARY AND RELATED AGENCIES			
Department of State:			
Administration of Foreign Affairs: Salaries and expenses.	237,494,000	Department of Defense or International Financial Institutions, Economic Support Fund, Military Assistance Program, and Foreign Military Credit sales.	237,494,000
Acquisition and maintenance of buildings abroad.	454,532,000	Department of Defense, or International Financial Institutions, Economic Support Fund, Military Assistance Program, and Foreign Military Credit Sales.	454,532,000
Counterterrorism research and development	10,000,000	Department of Defense, or International Financial Institutions, Economic Support Fund, Military Assistance Program, and Foreign Military Credit Sales.	10,000,000
The Judiciary:		The Judiciary:	
Court of Appeals, District Courts, and other judicial services:		Court of Appeals, District Courts, and other judicial services:	
Personnel	12,000,000	Salaries of judges	2,000,000
		Expenses of operation and maintenance of the courts.	10,000,000
Small Business Administration:		Small Business Administration:	
Salaries and expenses	2,000,000	Disaster loan fund	2,000,000
CHAPTER III—ENERGY AND WATER DEVELOPMENT			
Department of Defense (Civil):		Department of Defense (Civil):	
General expenses	3,000,000	Operation and maintenance, general	3,000,000
Department of Energy:		Department of Defense:	
Atomic energy defense activities	62,000,000	Research, development, test and evaluation, defense agencies.	62,000,000
CHAPTER V—HUD-INDEPENDENT AGENCIES			
Department of Housing and Urban Development:		Department of Housing and Urban Development:	
Salaries and expenses	15,066,000	Federal housing administration fund	15,066,000
Salaries and expenses	8,635,000	Rehabilitation loan fund	8,635,000
Environmental Protection Agency:		Environmental Protection Agency:	
Salaries and expenses	3,000,000	Research and development	3,000,000
National Aeronautics and Space Administration:		National Aeronautics and Space Administration:	
Research and program management	24,000,000	Research and development	24,000,000
Research and program management	14,100,000	Space flight, control and data communications.	14,100,000
Veterans Administration:		Veterans Administration:	
Medical care	30,000,000	Construction, major projects	30,000,000
General operating expenses	6,000,000	Construction, minor projects	6,000,000
Veterans job training	35,000,000	Construction, minor projects	35,000,000
Federal Emergency Management Agency:		Federal Emergency Management Agency:	
Salaries and expenses	2,920,000	Emergency management planning and assistance.	2,920,000
CHAPTER VI—INTERIOR AND RELATED AGENCIES			
National Gallery of Art:		National Gallery of Art:	
Salaries and expenses	136,000	Repair, restoration, and renovation of buildings.	136,000
CHAPTER IX—TRANSPORTATION			
Federal Aviation Administration:		Office of the Secretary:	
Operations	5,000,000	Salaries and Expenses	750,000

APPROPRIATION TRANSFERS RECOMMENDED IN THE BILL—Continued

Account to which transfer is to be made	Amount	Account from which transfer is to be made	Amount
		Coast Guard:	
		Retired pay	2,000,000
		Research, development, test, and evaluation.	2,250,000

COMPLIANCE WITH RULE XIII—CLAUSE 3

In compliance with clause 3 of Rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

The appropriating paragraph under the Hazardous Substance Response Trust Fund heading in the Department of Housing and Urban Development-Independent Agencies Appropriations Act, 1986 (Public Law 99-160) is amended as follows to provide for a repayable advance to Superfund.

HAZARDOUS SUBSTANCE RESPONSE TRUST FUND

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, [as amended, including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), $900,000,000, to be derived from the Hazardous Substance Response Trust Fund,] *including sections 111 (c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), $900,000,000, of which $750,000,000 shall be derived from the Hazardous Substance Response Trust Fund and $150,000,000 shall be derived from an advance from the general fund of the Treasury to the Hazardous Substance Response Trust Fund to be repaid in accordance with section 223(c)(3) of Public Law 96-510 and notwithstanding section 223(c)(2)(D) of Public Law 96-510,* to remain available until expended: *Provided,* That funds appropriated under this account may be allocated to other Federal agencies in accordance with section 111(a) of Public Law 96-510: *Provided further,* That for performance of specific activities in accordance with section 104(i) of Public Law 96-510, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, $21,000,000 shall be made available to the Department of Health and Human Services, to be derived by transfer from the Hazardous Substance Response Trust Fund, of which no less than $5,125,000 shall be available for toxicological testing of hazardous substances. For necessary expenses to carry out the Comprehensive Enviromental Response, Compensation, and Liability Act of 1980, as amended, not to exceed $90,000,000 shall be available for administrative expenses.

INFLATIONARY IMPACT STATEMENT

Pursuant to clause 2(l)(4), Rule XI of the House of Representative, the Committee estimates that enactment of this bill would have no overall inflationary impact on prices and costs in the operation of the national economy.

COMPARISON WITH BUDGET RESOLUTION

Section 308(a)(1)(A) of the Congressional Budget and Impoundment Control Act of 1974 (Public Law 93-344) requires that the report accompanying a bill providing new budget authority contain a statement detailing how that authority compares with the reports submitted under section 302 of the Act for the most recently agreed to concurrent resolution on the budget for the fiscal year.

The conference report on the first concurrent resolution on the budget (S. Con. Res. 32), passed by the House on August 1, 1985, contains a target of $1,069.7 billion in discretionary new budget authority for fiscal year 1986 of which $576.5 billion is allocated to the Committee on Appropriations.

[In billions]

Budget authority	$576.5
Provided to date in Appropriations Acts signed into law	575.2
Recommended in this bill	1.1
Balance	0.2

FIVE-YEAR PROJECTIONS

In compliance with section 308(a)(1)(C) of the Congressional Budget Act of 1974 (Public Law 93-344), the following table contains 5-year projections associated with the budget authority provided in the accompanying bill:

[In thousands]

Budget authority	$1,705,734
Outlays:	
Fiscal year 1986	1,294,823
Fiscal year 1987	328,158
Fiscal year 1988	82,753
Fiscal year 1989	
Fiscal year 1990 and future years	

FINANCIAL ASSISTANCE TO STATE AND LOCAL GOVERNMENTS

In accordance with section 308(a)(1)(D) of the Congressional Budget Act of 1974 (Public Law 93-344), the financial assistance to State and local government is as follows:

[In thousands]

New budget authority	$255,368
Fiscal year 1986 outlays resulting therefrom	82,832

Doc No.		Supplemental Request	Recommendation	Recommendation compared with Request
	CHAPTER I			
	DEPARTMENT OF AGRICULTURE			
	TITLE I			
	EMERGENCY FLOOD RELIEF			
	Soil Conservation Service			
---	Watershed and Flood Prevention Operations.....	---	25,000,000	+25,000,000
	Agricultural Stabilization and Conservation Service			
---	Emergency Conservation Program.....	---	10,000,000	+10,000,000
	TITLE II			
	AGRICULTURE PROGRAMS			
	Food Safety and Inspection Service			
---	Food Safety and Inspection Service.....	---	3,700,000	+3,700,000
	Farmers Home Administration			
99-	Rural Housing Insurance Fund: (Deferral disapproval - D86-60).....	---	(700,000,000)	(+700,000,000)
	Agricultural Stabilization and Conservation Service			
99-144	Salaries and expenses (Transfer from Commodity Credit Corporation).....	(71,598,000)	(71,598,000)	---

	TITLE III			
	DOMESTIC FOOD PROGRAMS			
	Food and Nutrition Service			
---	Feeding program for Women, Infants and Children (WIC).	---	20,000,000	+20,000,000
	Commodity Supplemental Food Program			
---	(Transfer from Commodity Credit Corporation).....	---	(3,950,000)	(+3,950,000)
	TITLE IV			
	Commodity Credit Corporation			
	Animal and Plant Health Inspection Service:			
---	Citrus Canker (by transfer).....	---	(14,000,000)	(+14,000,000)
---	Cooperative State Research Service (by transfer).....	---	(5,000,000)	(+5,000,000)
---	Avian Influenza (by transfer).....	---	(10,000,000)	(+10,000,000)
	Total, Chapter I:			
	New budget (obligational) authority.....	---	58,700,000	+58,700,000
	(By transfer).....	(71,598,000)	(104,548,000)	(+32,950,000)
	CHAPTER II			
	DEPARTMENT OF COMMERCE			
	Economic Development Administration			
	Economic development assistance programs			
99-161	(deferral disapproval - D86-36).....	---	(40,000,000)	(+40,000,000)

Doc No.		Supplemental Request	Recommendation	Recommendation compared with Request
	DEPARTMENT OF JUSTICE			
	Federal Prison System			
99-144	Salaries and expenses	10,620,000	15,500,000	+4,880,000
	DEPARTMENT OF STATE			
	Administration of Foreign Affairs			
99-144	Salaries and expenses	237,494,000	---	-237,494,000
	(By transfer)	---	(237,494,000)	(+237,494,000)
99-144	Acquisition and maintenance of buildings abroad	454,532,000	---	-454,532,000
	(By transfer)	---	(454,532,000)	(+454,532,000)
99-144	Counterterrorism research and development	10,000,000	---	-10,000,000
	(By transfer)	---	(10,000,000)	(+10,000,000)
	Total, Administration of foreign affairs	702,026,000	---	-702,026,000
	Other			
---	The Asia Foundation	---	2,000,000	+2,000,000
	Total, Department of State	702,026,000	2,000,000	-700,026,000
	THE JUDICIARY			
	Supreme Court of the United States			
99-144	Care of the buildings and grounds	46,000	46,000	---

	Courts of Appeals, District Courts, and Other Judicial Services			
99-144	Salaries of supporting personnel	1,200,000	1,200,000	---
99-	Salaries of supporting personnel (by transfer)	(12,000,000)	(12,000,000)	---
99-144	Fees of jurors and commissioners	3,800,000	3,800,000	---
99-144	Study of construction of office buildins	2,000,000	2,000,000	---
	Total, Courts of Appeals, District Courts, and Other Judicial Services	7,000,000	7,000,000	---
	Total, The Judiciary	7,046,000	7,046,000	---
	RELATED AGENCIES			
	Department of Transportation			
	Maritime Administration			
99-161	Operations and trainins (deferral disapproval-D86-53)	---	(9,350,000)	(+9,350,000)
	Board for International Broadcasting			
99-144	Grants and expenses	14,500,000	14,500,000	---
	Small Business Administration			
---	Salaries and expenses (by transfer)	---	(2,000,000)	(+2,000,000)
	Total, Chapter II:			
	New budget (oblisational) authority	734,192,000	39,046,000	-695,146,000
	(By transfer)	(12,000,000)	(714,026,000)	(+702,026,000)
	(Deferral disapproval)	---	(49,350,000)	(+49,350,000)

Doc No.		Supplemental Request	Recommendation	Recommendation compared with Request
	CHAPTER III			
	DEPARTMENT OF DEFENSE - CIVIL			
	Department of the Army			
	Corps of Engineers - Civil			
---	Flood control and coastal emergencies.....	---	25,000,000	+25,000,000
99-144	General expenses (by transfer).....	(3,000,000)	(3,000,000)	---
	Total, Department of Defense - Civil.....	---	25,000,000	+25,000,000
	DEPARTMENT OF ENERGY			
	Energy Supply, Research and Development			
99-161	(Deferral disapproval - D86-38).....	---	(23,156,000)	(+23,156,000)
	Atomic Energy Defense Activities			
99-144	(Transfer from Research, Development, Test, and Evaluation, Defense Agencies).....	(62,000,000)	(62,000,000)	---
	Total, Chapter III:			
	New budget (obligational) authority.....	---	25,000,000	+25,000,000
	(By transfer).....	(65,000,000)	(65,000,000)	---
	(Deferral disapproval).....	---	(23,156,000)	(+23,156,000)

	CHAPTER IV			
	FOREIGN ASSISTANCE AND RELATED PROGRAMS			
	Bilateral Economic Assistance			
	Agency for International Development			
---	Economic support fund	---	(50,000,000)	(+50,000,000)
	CHAPTER V			
	DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
	HOUSING PROGRAMS			
99-161 99-178	Annual contributions for assisted housing (deferral disapproval - D86-41)	---	(2,722,876,000)	(+2,722,876,000)
99-161	Housing for the elderly or handicapped fund (deferral disapproval - D86-45)	---	(599,801,000)	(+599,801,000)
99-161 99-178	Nonprofit sponsor assistance (deferral disapproval D86-46)	---	(500,000)	(+500,000)
	COMMUNITY PLANNING AND DEVELOPMENT			
99-161	Community development grants (deferral disapproval D86-48)	---	(500,000,000)	(+500,000,000)
99-161 99-178	Rehabilitation loan fund (deferral disapproval D86-50)	---	(131,133,000)	(+131,133,000)
	MANAGEMENT AND ADMINISTRATION			
---	Salaries and expenses (by transfer)	---	(23,701,000)	(+23,701,000)

Doc No.		Supplemental Request	Recommendation	Recommendation compared with Request
	INDEPENDENT AGENCIES			
	AMERICAN BATTLE MONUMENTS COMMISSION			
99-144	Salaries and expenses	235,000	1,553,000	+1,318,000
	ENVIRONMENTAL PROTECTION AGENCY			
---	Salaries and expenses (by transfer)	---	(3,000,000)	(+3,000,000)
---	Hazardous substance response trust fund (repayable advance)	---	(150,000,000)	(+150,000,000)
	FEDERAL EMERGENCY MANAGEMENT AGENCY			
99-144	Disaster relief	250,000,000	250,000,000	---
---	Salaries and expenses (by transfer)	---	(2,920,000)	(+2,920,000)
	NATIONAL AERONAUTICS AND SPACE ADMINISTRATION			
---	Research and program management (by transfer)	---	(38,100,000)	(+38,100,000)
	VETERANS ADMINISTRATION			
99-144	Compensation and pensions	272,000,000	272,000,000	---
99-144	Readjustment benefits	91,000,000	91,000,000	---
---	Medical care (by transfer)	---	(30,000,000)	(+30,000,000)
---	General operating expenses (by transfer)	---	(6,000,000)	(+6,000,000)
---	Veterans job training (by transfer)	---	(35,000,000)	(+35,000,000)
	Total, Veterans Administration	363,000,000	363,000,000	---

	CORPORATIONS			
	Federal Home Loan Bank Board:			
99-144	(Limitation on administrative expenses, corporate funds)	(3,429,000)	(3,429,000)	---
	Total, Chapter V:			
	New budget (obligational) authority	613,235,000	614,553,000	+1,318,000
	(Limitation on administrative expenses, corporate funds)	(3,429,000)	(3,429,000)	---
	(Deferral disapproval)	---	(3,954,310,000)	(+3,954,310,000)
	CHAPTER VI			
	DEPARTMENT OF THE INTERIOR			
	Bureau of Land Management			
99-161	Land acquisition (effect of new deferral) 1/	---	(-3,000,000)	(-3,000,000)
	United States Fish and Wildlife Service			
---	Resource management	---	90,000	+90,000
99-161	Land acquisition (effect of new deferral) 1/	---	(-4,432,000)	(-4,432,000)
	National Park Service			
99-144	Operation of the national park system	13,470,000	13,900,000	+430,000
99-161	Land and water conservation fund (rescission of contract authority)	(-28,710,000)	-28,710,000	-28,710,000
	Minerals Management Service			
---	Leasing and royalty management	---	800,000	+800,000
99-144	Payments to States from receipts under Mineral Leasing	800,000	---	-800,000

Doc No.		Supplemental Request	Recommendation	Recommendation compared with Request
	Office of Surface Mining Reclamation and Enforcement			
---	Regulation and technology (rescission)	---	-710,000	-710,000
	Bureau of Indian Affairs			
99-144	Operation of Indian programs	26,500,000	31,368,000	+4,868,000
	Territorial and International Affairs			
99-144	Compact of Free Association	178,750,000	178,750,000	---
	Total, Department of the Interior (net)	219,520,000	195,488,000	-24,032,000
	1/ Originally proposed as rescission.			
	RELATED AGENCIES			
	DEPARTMENT OF AGRICULTURE			
	Forest Service			
---	State and private forestry	---	161,000	+161,000
99-144	National forest system	165,700,000	165,700,000	---
---	Land acquisition	---	4,436,000	+4,436,000
99-111	Timber salvage sales (deferral disapproval-D86-3)	---	(3,153,000)	(+3,153,000)
	Total, Forest Service	165,700,000	170,297,000	+4,597,000

	DEPARTMENT OF ENERGY			
	Fossil energy research and development (deferral			
99-111	disapproval - D86-6A)	---	(62,205,000)	(+62,205,000)
99-111	Energy conservation (deferral disapproval-D86-9A)	---	(36,782,000)	(+36,782,000)
99-111	Strategic petroleum reserve (deferral disapproval	---	(197,940,825)	(+197,940,825)
99-161	D86-37)	---	(315,000,000)	(+315,000,000)
99-161	SPR petroleum account (deferral disapproval-D86-10A)			
	DEPARTMENT OF HEALTH AND HUMAN SERVICES			
	Health Resources and Services Administration			
---	Indian health services	---	20,000,000	+20,000,000
	SMITHSONIAN INSTITUTION			
	National Gallery of Art			
---	Salaries and expenses (by transfer)	---	(136,000)	(+136,000)
	Total, Chapter VI:			
	New budget (obligational) authority (net)	385,220,000	385,785,000	+565,000
	Appropriations	(385,220,000)	(415,205,000)	(+29,985,000)
	Rescissions	(-28,710,000)	(-29,420,000)	(-29,420,000)
	(By transfer)	---	(136,000)	(+136,000)
	(Deferral disapproval)	---	(615,080,825)	(+615,080,825)
	CHAPTER VII			
	DEPARTMENT OF EDUCATION			
---	Impact Aid	---	20,000,000	+20,000,000
	Total, Chapter VII:			
	New budget (obligational) authority	---	20,000,000	+20,000,000

Doc No.		Supplemental Request	Recommendation	Recommendation compared with Request
	CHAPTER VIII			
	LEGISLATIVE BRANCH			
	HOUSE OF REPRESENTATIVES			
	Continsent Expenses of the House			
	Standins Committees, Special and Select			
99-	Salaries and expenses	350,000	350,000	---
	JOINT ITEMS			
	Continsent Expenses of the House			
99-144				
99-	Joint Committee on Taxation	950,000	912,000	-38,000
	Official Mail Costs			
99-144				
99-184	Expenses	50,499,000	42,249,000	-8,250,000
	Total, Joint items	51,449,000	43,161,000	-8,288,000

ARCHITECT OF THE CAPITOL

Capitol Buildings and Grounds

99-144	Capitol buildings	8,000,000	8,000,000	---
99-144	Capitol Power Plant	2,000,000	1,583,000	-417,000
	Total, Capitol buildings and grounds	10,000,000	9,583,000	-417,000
	Total, Chapter VIII:			
	New budget (obligational) authority	61,799,000	53,094,000	-8,705,000

CHAPTER IX

DEPARTMENT OF TRANSPORTATION

Coast Guard

---	Operating expenses	---	35,500,000	+35,500,000

Federal Aviation Administration

---	Operations	---	80,000,000	+80,000,000
---	(By transfer)	---	(5,000,000)	(+5,000,000)

RELATED AGENCY

Panama Canal Commission

---	Operating expenses	---	20,000,000	+20,000,000
	Total, Chapter IX:			
	New budget (obligational) authority	---	135,500,000	+135,500,000
	(By transfer)	---	(5,000,000)	(+5,000,000)

Doc No.		Supplemental Request	Recommendation	Recommendation compared with Request
	CHAPTER X			
	DEPARTMENT OF THE TREASURY			
	Internal Revenue Service:			
99-144	Processing tax returns	194,564,000	194,564,000	---
99-144	Examinations and appeals	68,706,000	68,706,000	---
99-144	Investigations, collections and taxpayer service	76,730,000	76,730,000	---
	Total, Internal Revenue Service	340,000,000	340,000,000	---
	United States Customs Service			
---	Salaries and expenses	---	30,831,000	+30,831,000
---	Operations and maintenance, air interdiction program	---	3,225,000	+3,225,000
	Total, United States Customs Service	---	34,056,000	+34,056,000
	Total, Chapter X: New budget (obligational) authority	340,000,000	374,056,000	+34,056,000
	TOTAL - New budget (obligational) authority	2,134,446,000	1,705,734,000	-428,712,000
	Appropriations	(2,134,446,000)	(1,737,154,000)	(-397,292,000)
	Rescissions	(-28,710,000)	(-29,420,000)	(-29,420,000)
	(Deferral disapproval)	---	(5,341,896,825)	(+5,341,896,825)
	(Effect of new deferral)	---	(-7,432,000)	(-7,432,000)
	(By transfer)	(148,598,000)	(1,027,431,000)	(+878,833,000)
	(Limitation on administrative expenses, corporate funds)	(3,429,000)	(3,429,000)	---

ADDITIONAL VIEWS OF HON. SILVIO O. CONTE AND HON. JOE SKEEN

Chapter VI of this Urgent Supplemental Appropriations bill for Fiscal Year 1986 as reported out of our Committee contains a number of legislative provisions in the agricultural area which we strongly oppose. Our chief objections are to the new limitations proposed for the soil conservation reserve program which we created only three months ago in the Food Security Act of 1985, P.L. 99-198. We believe that any effort to place new restrictions on program participation or funding so soon after the first phase of enrollment has been completed violates our recent commitments and places that entire future of American soil conservation in jeopardy. For these reasons, it is our intention to seek an opportunity to offer an amendment striking this language during floor consideration of this bill.

Last year, with the passage of the 1986 Farm Bill, we in the Congress initiated the most comprehensive soil and water conservation programs since the Great Dust Bowl of the 1930's. For the first time, a new soil conservation reserve program will focus our federal efforts on the small portion of land which is responsible for the greatest portion of our soil erosion problems.

The U.S. Department of Agriculture estimates that only 12 percent of all cultivated cropland in the United States is responsible for more than 50 percent of total soil erosion. The new conservation reserve program creates significant economic incentives for farmers to remove this highly-erodible cropland from production. Farmers will be paid an annual rental fee to convert their highly-erodible land from production to less erosive uses, such as grass or trees, for ten years. At the end of their ten-year contract, farmers could bring this land back into production only if they employ conservation practices to reduce erosion or do not participate in federal farm programs.

The USDA is required to enroll 40 million acres of such highly-erodible cropland in the reserve over the next four years. The removal of this acreage from cultivation should not only reduce total soil erosion by as much as 25 percent, but it should also reduce the dramatic overproduction which is drowning American farmers in commodity surpluses. Our federal farm support costs should be reduced by hundreds of millions of dollars annually as a result of this requirement.

But not even three months after President signed into law legislation creating this important program, the Soil Conservation Reserve is threatened by limitations proposed in this Supplemental Appropriations bill that would undermine our federal commitments by placing new restrictions on participation.

Conservation-minded farmers would be penalized by the proposed prohibition on highly-erodible cropland idled as part of a normal

soil conservation rotation in 1984 or 1985. The reserve program is already limited to land which was cultivated in two of the last five years.

Farmers who had a poor harvest would be harmed by the proposed limitation on reserve rental payments. While it is unclear how the proposed limitation of one-third of the value of the preceding year's production would be calculated, it is clear that this requirement would, like each of the other proposed changes, be an administrative nightmare to implement, further hindering enrollments and thereby reducing total nationwide soil savings. If a farmer's previous year's production had been reduced due to drought, flood, or other natural disasters, the farmer would receive undervalued rental payments. In areas where there has been adverse weather and total crop failure in 1985, payments would be limited to zero. Farmers would actually be encouraged to overproduce so as to boost anticipated future rental payments. And overproduction, as we all know, only leads to more commodity surpluses, lower commodity prices, and billions of dollars in higher farm program costs.

Farmers with small yet highly-erodible operations would be put at the worst disadvantaged under the proposed new limitations. They would be prohibited from enrolling more than 50 percent of their cropland, no matter how erodible, in the reserve. Such a limitation would unfairly restrict small, family farmers from removing some of the most highly-erodible American land from production. The 1986 Act already prevents sign-ups in excess of 25 percent of the total cropland in each county; USDA believes that the existing legislation adequately addresses the concerns for total levels of nationwide participation.

Under the new restrictions proposed in this bill, farm producers would have priority over absentee landowners, placing tenant farmers at a disadvantage. By limiting payments to producers of either basic agricultural commodities or major crops, most Northeastern farmers would be ineligible for program participation. And farmers in highly-productive areas like the Midwest would be hurt by a proposed $25,000 cap on annual reserve payments. Such a cap would limit producers of the major, basic commodities in these areas to removing a maximum of about 300 highly-erodible acres, while farmers from less-productive areas would be able to retire as many as 1,000 acres. Limitations already imposed by the Farm Bill set caps at $50,000 annually to prevent gigantic windfalls, while still enabling sufficient amounts of highly-erodible land from all regions of the country to be enrolled.

Soil erosion is one of the silent crises of American agriculture. Every year, we lose an estimated 3 billion tons of our precious topsoil, costing Americans over $3 billion in damages to water quality, navigation, fish and wildlife, and recreation. Last year, the Congress determined that the best way to dramatically reduce erosion was to convert the most highly-erodible land from production to uses that are more within the capability of the land. USDA has issued program rules and the first round of bids has already been submitted in accordance with existing law. Now is not the time to impose new requirements and retract our commitments to the conservation of our precious soil resources.

If, through the normal Congressional oversight process, we should determine that the existing program requires further limitations, restrictions, or reductions, then we should work to amend current law through the normal authorization process. However, the legislative changes proposed in this appropriations bill, without benefit of public hearings and over the objections of the authorizing committee, are at best premature. They threaten our commitment to, and the success of, a plan for the retirement of five million acres in Fiscal Year 1986, and unfairly disregard those farmers who have already made their bids based upon information supplied in good faith by state and county ASCS and SCS offices.

We urge our colleagues to reaffirm our commitment to the establishment and operation of the new soil conservation program as authorized in P.L. 99-198, and to support our effort to strike the program limitations proposed in this appropriations bill.

SILVIO O. CONTE, M.C.
JOE SKEEN, M.C.

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